

WEIS MARKETS INC
Form 10-Q
February 16, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 26, 2015
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 Number 1-5039

WEIS MARKETS, INC.
(Exact name of registrant as specified in its charter)

PENNSYLVANIA 24-0755415
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1000 S. Second Street 17801-0471
P. O. Box 471 (Zip Code)
Sunbury, Pennsylvania
(Address of principal executive offices)

Registrant's telephone number, including area code: (570) 286-4571 Registrant's web address: www.weismarkets.com

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 16, 2016, there were issued and outstanding 26,898,443 shares of the registrant's common stock.

WEIS MARKETS, INC.

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PART I – FINANCIAL INFORMATION

ITEM I – FINANCIAL STATEMENTS

WEIS MARKETS, INC.

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)	September 26, 2015 (unaudited)	December 27, 2014
Assets		
Current:		
Cash and cash equivalents	\$ 15,852	\$ 22,986
Marketable securities	89,748	73,959
SERP investment	9,862	9,121
Accounts receivable, net	67,077	70,642
Inventories	231,158	239,641
Prepaid expenses and other current assets	19,088	17,432
Income taxes recoverable	-	612
Total current assets	432,785	434,393
Property and equipment, net	728,456	716,860
Goodwill	35,162	35,162
Intangible and other assets, net	6,447	4,704
Total assets	\$ 1,202,850	\$ 1,191,119
Liabilities		
Current:		
Accounts payable	\$ 141,691	\$ 144,812
Accrued expenses	35,983	34,590
Accrued self-insurance	17,676	18,676
Deferred revenue, net	4,276	6,720
Income taxes payable	3,314	-
Deferred income taxes	6,584	5,816
Total current liabilities	209,524	210,614
Postretirement benefit obligations	15,808	18,672
Accrued self-insurance	22,364	22,364
Deferred income taxes	85,517	91,464
Other	6,687	3,242
Total liabilities	339,900	346,356
Shareholders' Equity		
Common stock, no par value, 100,800,000 shares authorized, 33,047,807 shares issued,		
26,898,443 shares outstanding	9,949	9,949
Retained earnings	999,387	980,842
Accumulated other comprehensive income		

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(Net of deferred taxes of \$3,121 in 2015 and \$3,371 in 2014)	4,471	4,829
	1,013,807	995,620
Treasury stock at cost, 6,149,364 shares	(150,857)	(150,857)
Total shareholders' equity	862,950	844,763
Total liabilities and shareholders' equity	\$ 1,202,850	\$ 1,191,119
See accompanying notes to consolidated financial statements.		

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WEIS MARKETS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except shares and per share amounts)	13 Weeks Ended		39 Weeks Ended	
	Sept. 26, 2015	Sept. 27, 2014	Sept. 26, 2015	Sept. 27, 2014
Net sales	\$ 711,879	\$ 683,893	\$ 2,142,685	\$ 2,062,894
Cost of sales, including warehousing and distribution expenses	517,732	498,216	1,554,504	1,502,776
Gross profit on sales	194,147	185,677	588,181	560,118
Operating, general and administrative expenses	174,566	166,067	523,170	499,435
Income from operations	19,581	19,610	65,011	60,683
Investment income (loss)	(422)	357	695	1,766
Income before provision for income taxes	19,159	19,967	65,706	62,449
Provision for income taxes	6,371	6,456	22,952	21,767
Net income	\$ 12,788	\$ 13,511	\$ 42,754	\$ 40,682
Weighted-average shares outstanding, basic and diluted	26,898,443	26,898,443	26,898,443	26,898,443
Cash dividends per share	\$ 0.30	\$ 0.30	\$ 0.90	\$ 0.90
Basic and diluted earnings per share	\$ 0.48	\$ 0.50	\$ 1.59	\$ 1.51
See accompanying notes to consolidated financial statements				

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WEIS MARKETS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(dollars in thousands)	13 Weeks Ended		39 Weeks Ended	
	Sept. 26, 2015	Sept 27, 2014	Sept. 26, 2015	Sept. 27, 2014
Net income	\$ 12,788	\$ 13,511	\$ 42,754	\$ 40,682
Other comprehensive income (loss) by component, net of tax:				
Available-for-sale marketable securities				
Unrealized holding gains (losses) arising during period (Net of deferred taxes of \$168 and \$5, respectively for the 13 Weeks Ended and \$243 and \$824, respectively for the 39 Weeks Ended)	(241)	14	(350)	1,182
Reclassification adjustment for gains included in net income (Net of deferred taxes of \$7 and \$21, respectively for the 39 Weeks Ended)	-	-	(8)	(26)
Other comprehensive income (loss), net of tax	(241)	14	(358)	1,156
Comprehensive income, net of tax	\$ 12,547	\$ 13,525	\$ 42,396	\$ 41,838
See accompanying notes to consolidated financial statements.				

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WEIS MARKETS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(dollars in thousands)	39 Weeks Ended	
	Sept. 26, 2015	Sept. 27, 2014
Cash flows from operating activities:		
Net income	\$ 42,754	\$ 40,682
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	45,942	43,763
Amortization	6,145	5,737
Gain on disposition of fixed assets	(26)	(2,531)
Gain on sale of marketable securities	(15)	(46)
Deferred income taxes	(4,929)	(42)
Changes in operating assets and liabilities:		
Inventories	8,483	20,720
Accounts receivable and prepaid expenses	1,969	(9,113)
Income taxes recoverable	612	-
Accounts payable and other liabilities	(4,533)	(6,522)
Income taxes payable	3,314	(1,095)
Other	824	117
Net cash provided by operating activities	100,540	91,670
Cash flows from investing activities:		
Purchase of property and equipment	(64,874)	(58,027)
Proceeds from the sale of property and equipment	1,302	3,288
Purchase of marketable securities	(26,184)	(8,138)
Proceeds from maturities of marketable securities	1,851	2,250
Proceeds from the sale of marketable securities	7,067	1,651
Purchase of intangible assets	(1,886)	(1,125)
Change in SERP investment	(741)	(81)
Net cash used in investing activities	(83,465)	(60,182)
Cash flows from financing activities:		
Dividends paid	(24,209)	(24,209)
Net cash used in financing activities	(24,209)	(24,209)
Net (decrease) increase in cash and cash equivalents	(7,134)	7,279
Cash and cash equivalents at beginning of year	22,986	17,965
Cash and cash equivalents at end of period	\$ 15,852	\$ 25,244

See accompanying notes to consolidated financial statements.

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(1) Significant Accounting Policies

Basis of Presentation: The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring deferrals and accruals) considered necessary for a fair presentation have been included. The operating results for the periods presented are not necessarily indicative of the results to be expected for the full year. The Company has evaluated subsequent events for disclosure through the date of issuance of the accompanying unaudited consolidated interim financial statements and there were no material subsequent events which require additional disclosure. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's latest Annual Report on Form 10-K.

(2) Current Relevant Accounting Standards

In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. ASU 2014-08 amends guidance on reporting discontinued operations only if the disposal of a component of an entity or group of components of an entity represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. It also allows companies to have significant continuing involvement and continuing cash flows with the discontinued operations. Additional disclosures are also required for discontinued operations and individually material disposal transactions that do not meet the definition of a discontinued operation. The standard should be applied prospectively for all disposals of components of an entity and for all businesses that, on acquisition, are classified as held for sale that occurred within annual periods beginning on or after December 15, 2014, including interim periods within that reporting period. Adoption of the ASU did not have an impact on the Company's 2015 consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which amended the existing accounting standards for revenue recognition. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The standard was initially effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. In August 2015, the FASB issued a one-year deferral of the effective date of this new guidance resulting in it now being effective for the Company beginning in fiscal year 2018. Early adoption is not permitted. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently in the process of evaluating the impact of adoption of the

ASU on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40)(Topic 718): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. ASU 2014-15 provides guidance related to management’s responsibility to evaluate whether there is substantial doubt about the entity’s ability to continue as a going concern and to provide related footnote disclosures. The new requirements are effective for the annual periods ending after December 15, 2016, and for interim periods and annual periods thereafter. Early adoption is permitted. Adoption of the new ASU will not have an impact on the Company’s consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory. ASU 2015-11 amends guidance on the measurement of inventory from lower of cost or market to net realizable value. The amendment applies to all inventory other than those measured by Last-In-First-Out (LIFO) and the Retail Inventory Method (RIM). The amendment is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is permitted. Adoption of the new ASU will not have an impact on the Company’s consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments. ASU 2015-16 requires that any effect on earnings due to depreciation, amortization or other income effects, due to a change to the provisional amounts be recorded in the current period’s financial statements as if the accounting had been completed at the acquisition date. The portion of the amount recorded in the current-period earnings, which would have been recorded in the previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date, must be presented separately on the face of the income statement or disclosed in the notes to the financial statements by line item. The amendment is effective for the fiscal year beginning after December 15, 2015. The amendments are to be applied prospectively to any adjustments occurring after the effective date. Adoption of this ASU is not expected to have a material impact on the Company’s consolidated financial statements.

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(3) Investments

The Company's marketable securities are all classified as available-for-sale within Current Assets in the Company's Consolidated Balance Sheets. FASB has established three levels of inputs that may be used to measure fair value:

Level 1 Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2 Observable inputs, other than Level 1 inputs in active markets, that are observable either directly or indirectly; and

Level 3 Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company's marketable securities valued using Level 1 inputs include highly liquid equity securities, for which quoted market prices are available. The Company's bond portfolio is valued using Level 2 inputs. The Company's bonds are valued using a combination of pricing for similar securities, recently executed transactions, cash flow models with yield curves and other pricing models utilizing observable inputs, which are considered Level 2 inputs.

For Level 2 investment valuation, the Company utilizes standard pricing procedures of its investment advisory firm(s) which include various third party pricing services. These procedures also require specific price monitoring practices as well as pricing review reports, valuation oversight and pricing challenge procedures to maintain the most accurate representation of investment fair market value. In addition, the Company engages an independent firm to value a sample of the Company's municipal bond holdings annually in order to validate the investment's assigned fair value.

The Company accrues interest on its bond portfolio throughout the life of each bond held. Dividends from the equity securities are recognized as received. Both interest and dividends are recognized in "Investment income (loss)" on the Company's Consolidated Statements of Income.

Marketable securities, as of September 26, 2015 and December 27, 2014, consisted of:

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(dollars in thousands)	Amortized	Gross Unrealized Holding	Gross Unrealized Holding	Fair
September 26, 2015	Cost	Gains	Losses	Value
Available-for-sale:				
Level 1				
Equity securities	\$ 1,198	\$ 6,207	\$ -	\$ 7,405
Level 2				
Municipal bonds	80,959	1,448	(64)	82,343
	\$ 82,157	\$ 7,655	\$ (64)	\$ 89,748

(dollars in thousands)	Amortized	Gross Unrealized Holding	Gross Unrealized Holding	Fair
December 27, 2014	Cost	Gains	Losses	Value
Available-for-sale:				
Level 1				
Equity securities	\$ 1,198	\$ 6,683	\$ -	\$ 7,881
Level 2				
Municipal bonds	64,561	1,613	(96)	66,078
	\$ 65,759	\$ 8,296	\$ (96)	\$ 73,959

Maturities of marketable securities classified as available-for-sale at September 26, 2015, were as follows:

(dollars in thousands)	Amortized	Fair
	Cost	Value
Available-for-sale:		
Due within one year	\$ 6,455	\$ 6,514
Due after one year through five years	53,775	54,803
Due after five years through ten years	20,729	21,026
Equity securities	1,198	7,405
	\$ 82,157	\$ 89,748

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(3) Investments (continued)

The Company also maintains a non-qualified supplemental executive retirement plan and a non-qualified pharmacist deferred compensation plan for certain of its associates which allows them to defer income to future periods.

Participants in the plans earn a return on their deferrals based on mutual fund investments. The Company chooses to invest in the underlying mutual fund investments to offset the liability associated with the non-qualified deferred compensation plans. Such investments are reported on the balance sheet as SERP investments, are classified as trading securities and are carried at fair value using Level 1 inputs with gains and losses included in investment income. The changes in the underlying liability to the employee are recorded in operating expenses.

(4) Accumulated Other Comprehensive Income

All balances in accumulated other comprehensive income are related to available-for-sale marketable securities. The following table sets forth the balance of the Company's accumulated other comprehensive income, net of tax.

(dollars in thousands)	Unrealized Gains on Available-for-Sale Marketable Securities
Accumulated other comprehensive income balance as of December 27, 2014	\$ 4,829
Other comprehensive loss before reclassifications	(350)
Amounts reclassified from accumulated other comprehensive income	(8)
Net current period other comprehensive loss	(358)
Accumulated other comprehensive income balance as of September 26, 2015	\$ 4,471

The following table sets forth the effects on net income of the amounts reclassified out of accumulated other comprehensive income for the periods ended September 26, 2015 and September 27, 2014.

Gains (Losses) Reclassified from

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(dollars in thousands)	Location	Accumulated Other Comprehensive Income to the Consolidated Statements of Income			
		13 Weeks Ended		39 Weeks Ended	
		Sept. 26, 2015	Sept. 27, 2014	Sept. 26, 2015	Sept. 27, 2014
Unrealized gains on available-for-sale marketable securities					
	Investment income	\$ -	\$ -	\$ 15	\$ 47
	Provision for income taxes	-	-	(7)	(21)
Total amount reclassified, net of tax		\$ -	\$ -	\$ 8	\$ 26

(5) Income Taxes

Cash paid for federal income taxes was \$21.5 million and \$20.5 million in the first thirty-nine weeks of 2015 and 2014, respectively.

(6) Acquisition

The Company paid \$7.9 million for the property and equipment related to the purchase of a store in Hanover, Pennsylvania on August 31, 2015 from C&S Wholesale Grocers. The purchase price was allocated between tangible and related intangible assets in accordance with our accounting policies for business combinations. No goodwill was recognized.

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(7) Self-Insurance

While researching alternative methods to calculate retained claim liability for the Company's self-insured workers compensation and general liability insurance programs, we discovered errors in the application of actuarial methods used to estimate the obligation of future payments resulting from claims due to past events. These errors primarily related to the Company's selection of loss development factors and the application of such factors to the population of claims. The impact of these prior period misstatements to our consolidated financial statements resulted in the understatement of workers compensation and general liability expense with a corresponding understatement of self-insurance liabilities over multiple fiscal periods through June 27, 2015.

In accordance with applicable accounting guidance, an adjustment to the financial statements for each individual prior period presented is required to reflect the correction of the period-specific effects of the change, if material. Based on our evaluation of the relevant quantitative and qualitative factors, we determined the identified corrections are immaterial to the Company's individual prior period consolidated financial statements, however, the cumulative correction of the prior period errors would be material to our current year Consolidated Statements of Income. Consequently, we have restated certain prior period amounts to correct these errors. Additionally, we have restated our retained earnings as of January 1, 2012 in the amount of \$14.2 million.

The tables below summarize the effect of the restatement of previously reported consolidated financial statements for the fiscal years ended December 27, 2014, December 28, 2013 and December 29, 2012, the thirteen and thirty-nine weeks ended September 27, 2014, the thirteen and twenty-six weeks ended June 27, 2015 and June 28, 2014, and the thirteen weeks ended March 28, 2015 and March 29, 2014.

Consolidated Balance Sheets (dollars in thousands)	As of June 27, 2015		
	As Previously Reported	Adjustment	As Restated
Accrued self-insurance	\$ 18,830	\$ (746)	\$ 18,084
Deferred income taxes	7,318	315	7,633
Total current liabilities	203,320	(431)	202,889
Accrued self-insurance	-	22,364	22,364
Deferred income taxes	91,686	(9,292)	82,394

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Total liabilities	316,816	12,641	329,457
Retained earnings	1,007,311	(12,641)	994,670
Total shareholders' equity	871,115	(12,641)	858,474
Total liabilities and shareholders' equity	\$ 1,187,931	\$ -	\$ 1,187,931

As of March 28, 2015

As

Previously

Consolidated Balance Sheets (dollars in thousands)	Reported	Adjustment	As Restated
Accrued self-insurance	\$ 19,597	\$ (382)	\$ 19,215
Deferred income taxes	5,235	165	5,400
Total current liabilities	203,320	(217)	203,103
Accrued self-insurance	-	22,364	22,364
Deferred income taxes	97,451	(9,292)	88,159
Total liabilities	324,377	12,855	337,232
Retained earnings	998,950	(12,855)	986,095
Total shareholders' equity	862,886	(12,855)	850,031
Total liabilities and shareholders' equity	\$ 1,187,263	\$ -	\$ 1,187,263

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(7) Self-Insurance (continued)

	As of December 27, 2014		
	As		
	Previously		
Consolidated Balance Sheets (dollars in thousands)	Reported	Adjustment	As Restated
Accrued self-insurance	\$ 18,695	\$ (19)	\$ 18,676
Deferred income taxes	5,800	16	5,816
Total current liabilities	210,617	(3)	210,614
Accrued self-insurance	-	22,364	22,364
Deferred income taxes	100,756	(9,292)	91,464
Total liabilities	333,287	13,069	346,356
Retained earnings	993,911	(13,069)	980,842
Total shareholders' equity	857,832	(13,069)	844,763
Total liabilities and shareholders' equity	\$ 1,191,119	\$ -	\$ 1,191,119

	As of December 28, 2013		
	As		
	Previously		
Consolidated Balance Sheets (dollars in thousands)	Reported	Adjustment	As Restated
Accrued self-insurance	\$ 19,333	\$ (2,873)	\$ 16,460
Deferred income taxes	4,219	1,191	5,410
Total current liabilities	193,220	(1,682)	191,538
Accrued self-insurance	-	23,882	23,882
Deferred income taxes	97,934	(9,917)	88,017
Total liabilities	314,189	12,283	326,472
Retained earnings	971,022	(12,283)	958,739
Total shareholders' equity	834,053	(12,283)	821,770
Total liabilities and shareholders' equity	\$ 1,148,242	\$ -	\$ 1,148,242

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Consolidated Statements of Income (dollars in thousands, except per share amounts)	13 Weeks Ended June 27, 2015			June 28, 2014		
	As Previously			As Previously		
	Reported	Adjustment	As Restated	Reported	Adjustment	As Restated
Operating, general and administrative expenses	\$ 173,717	\$ (364)	\$ 173,353	\$ 168,286	\$ 334	\$ 168,620
Income from operations	25,202	364	25,566	19,438	(334)	19,104
Income before provision for income taxes	25,787	364	26,151	20,094	(334)	19,760
Provision for income taxes	9,357	150	9,507	7,296	(138)	7,158
Net income	\$ 16,430	\$ 214	\$ 16,644	\$ 12,798	\$ (196)	\$ 12,602
Basic and diluted earnings per share	\$ 0.61	\$ 0.01	\$ 0.62	\$ 0.48	\$ (0.01)	\$ 0.47

Consolidated Statements of Income (dollars in thousands, except per share amounts)	26 Weeks Ended June 27, 2015			June 28, 2014		
	As Previously			As Previously		
	Reported	Adjustment	As Restated	Reported	Adjustment	As Restated
Operating, general and administrative expenses	\$ 349,331	\$ (728)	\$ 348,603	\$ 332,701	\$ 668	\$ 333,369
Income from operations	44,703	728	45,431	41,741	(668)	41,073
Income before provision for income taxes	45,820	728	46,548	43,150	(668)	42,482
Provision for income taxes	16,281	300	16,581	15,586	(275)	15,311
Net income	\$ 29,539	\$ 428	\$ 29,967	\$ 27,564	\$ (393)	\$ 27,171
Basic and diluted earnings per share	\$ 1.10	\$ 0.02	\$ 1.12	\$ 1.02	\$ (0.01)	\$ 1.01

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(7) Self-Insurance (continued)

Consolidated Statements of Income (dollars in thousands, except per share amounts)	13 Weeks Ended March 28, 2015			March 29, 2014		
	As Previously		As	As Previously		As
	Reported	Adjustment	Restated	Reported	Adjustment	Restated
Operating, general and administrative expenses	\$ 175,614	\$ (364)	\$ 175,250	\$ 164,465	\$ 334	\$ 164,799
Income from operations	19,501	364	19,865	22,303	(334)	21,969
Income before provision for income taxes	20,033	364	20,397	23,056	(334)	22,722
Provision for income taxes	6,924	150	7,074	8,290	(138)	8,152
Net income	\$ 13,109	\$ 214	\$ 13,323	\$ 14,766	\$ (196)	\$ 14,570
Basic and diluted earnings per share	\$ 0.49	\$ 0.01	\$ 0.50	\$ 0.55	\$ (0.01)	\$ 0.54

Consolidated Statements of Income (dollars in thousands, except per share amounts)	13 Weeks Ended September 27, 2014			39 Weeks Ended September 27, 2014		
	As Previously		As	As Previously		As
	Reported	Adjustment	Restated	Reported	Adjustment	Restated
Operating, general and administrative expenses	\$ 165,733	\$ 334	\$ 166,067	\$ 498,433	\$ 1,002	\$ 499,435
Income from operations	19,944	(334)	19,610	61,685	(1,002)	60,683
Income before provision for income taxes	20,301	(334)	19,967	63,451	(1,002)	62,449
Provision for income taxes	6,594	(138)	6,456	22,180	(413)	21,767
Net income	\$ 13,707	\$ (196)	\$ 13,511	\$ 41,271	\$ (589)	\$ 40,682
Basic and diluted earnings per share	\$ 0.51	\$ (0.01)	\$ 0.50	\$ 1.53	\$ (0.02)	\$ 1.51

For the year ended December 27,
2014Consolidated Statements of Income
As
Previously

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	Reported	Adjustment	As Restated
(dollars in thousands, except per share amounts)			
Operating, general and administrative expenses	\$ 670,251	\$ 1,336	\$ 671,587
Income from operations	82,711	(1,336)	81,375
Income before provision for income taxes	84,998	(1,336)	83,662
Provision for income taxes	29,831	(550)	29,281
Net income	\$ 55,167	\$ (786)	\$ 54,381
Basic and diluted earnings per share	\$ 2.05	\$ (0.03)	\$ 2.02

For the year ended December 28,
2013

	Reported	Adjustment	As Restated
Consolidated Statements of Income			
(dollars in thousands, except per share amounts)			
Operating, general and administrative expenses	\$ 634,286	\$ (2,490)	\$ 631,796
Income from operations	111,182	2,490	113,672
Income before provision for income taxes	115,866	2,490	118,356
Provision for income taxes	44,145	1,025	45,170
Net income	\$ 71,721	\$ 1,465	\$ 73,186
Basic and diluted earnings per share	\$ 2.67	\$ 0.05	\$ 2.72

For the year ended December 29,
2012

	Reported	Adjustment	As Restated
Consolidated Statements of Income			
(dollars in thousands, except per share amounts)			
Operating, general and administrative expenses	\$ 615,521	\$ (661)	\$ 614,860
Income from operations	127,032	661	127,693
Income before provision for income taxes	130,914	661	131,575
Provision for income taxes	48,403	272	48,675
Net income	\$ 82,511	\$ 389	\$ 82,900
Basic and diluted earnings per share	\$ 3.07	\$ 0.01	\$ 3.08

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WEIS MARKETS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(7) Self-Insurance (continued)

Consolidated Statements of Cash Flows	13 Weeks Ended March 28, 2015			March 29, 2014		
	As			As		
	Previously			Previously		
(dollars in thousands)	Reported	Adjustment	As Restated	Reported	Adjustment	As Restated
Net income	\$ 13,109	\$ 214	\$ 13,323	\$ 14,766	\$ (196)	\$ 14,570
Deferred income taxes	(3,880)	150	(3,730)	(1,308)	(138)	(1,446)
Accounts payable and other liabilities	(9,666)	(364)	(10,030)	(1,298)	334	(964)
Net cash provided by operating activities	\$ 31,026	\$ -	\$ 31,026	\$ 34,192	\$ -	\$ 34,192

Consolidated Statements of Cash Flows	26 Weeks Ended June 27, 2015			June 28, 2014		
	As			As		
	Previously			Previously		
(dollars in thousands)	Reported	Adjustment	As Restated	Reported	Adjustment	As Restated
Net income	\$ 29,539	\$ 428	\$ 29,967	\$ 27,564	\$ (393)	\$ 27,171
Deferred income taxes	(7,469)	300	(7,169)	(3,887)	(275)	(4,162)
Accounts payable and other liabilities	(13,512)	(728)	(14,240)	(11,246)	668	(10,578)
Net cash provided by operating activities	\$ 63,918	\$ -	\$ 63,918	\$ 55,723	\$ -	\$ 55,723

Consolidated Statement of Cash Flows	39 Weeks Ended September 27, 2014		
	As		
	Previously		
(dollars in thousands)	Reported	Adjustment	As Restated
Net income	\$ 41,271	\$ (589)	\$ 40,682
Deferred income taxes	371	(413)	(42)

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Accounts payable and other liabilities	(7,524)	1,002	(6,522)
Net cash provided by operating activities	\$ 91,670	\$ -	\$ 91,670

For the year ended December 27,
2014

Consolidated Statement of Cash Flows	As		
	Previously		As
(dollars in thousands)	Reported	Adjustment	Restated
Net income	\$ 55,167	\$ (786)	\$ 54,381
Deferred income taxes	3,785	(550)	3,235
Accounts payable and other liabilities	15,894	1,336	17,230
Net cash provided by operating activities	\$ 123,110	\$ -	\$ 123,110

For the year ended December 28,
2013

Consolidated Statement of Cash Flows	As		
	Previously		As
(dollars in thousands)	Reported	Adjustment	Restated
Net income	\$ 71,721	\$ 1,465	\$ 73,186