

# U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-QSB

Quarterly report under to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

For the quarterly period ended **February 2, 2002**

Commission File No. **0-1455**

## **OPT - SCIENCES CORPORATION**

(Exact name of small business issuer as specified in its charter)

**New Jersey**

(State or other jurisdiction of  
incorporation or organization)

**21-0681502**

(I.R.S. Employer  
identification number)

**1912 Bannard Street, Riverton, NJ**

(Address of principal executive offices)

**08077**

(Zip Code)

Registrant's telephone number, including area code: **856-829-2800**

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past twelve 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 **X** No           

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

<b><u>Class</u></b>	<b><u>Outstanding at February 2, 2002</u></b>
<b>Common Stock, par value \$0.25</b>	<b>775,585 shares</b>

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Item 1 Not Applicable

Item 2 Not Applicable

Item 3 Not Applicable

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## ASSETS

	February 2, 2002	October 27, 2001
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,421,844	\$ 4,424,969
Trade accounts receivable	713,997	1,055,356
Inventories	404,303	429,056
Prepaid expenses	34,587	38,982
Marketable securities	<u>1,166,723</u>	<u>1,082,483</u>
Total current assets	<u>6,741,454</u>	<u>7,030,846</u>
PROPERTY AND EQUIPMENT		
Land	114,006	114,006
Building and improvements	418,312	346,571
Machinery and equipment	1,212,241	1,212,241
Small tools	53,580	53,580
Furniture and fixtures	8,048	8,048
Office equipment	50,924	50,924
Automobiles	<u>60,100</u>	<u>60,100</u>
Total property and equipment	1,917,211	1,845,470
Less: accumulated depreciation	<u>1,050,367</u>	<u>1,033,207</u>
Net property and equipment	<u>866,844</u>	<u>812,263</u>
OTHER ASSETS		
Deposits	<u>2,837</u>	<u>2,837</u>
Total assets	\$ <u>7,611,135</u>	\$ <u>7,845,946</u>

# LIABILITIES AND STOCKHOLDERS' EQUITY

	February 2, 2002	October 27, 2001
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 122,988	\$ 270,877
Accrued income taxes	140,377	139,096
Other current liabilities	<u>71,954</u>	<u>255,466</u>
Total current liabilities	<u>335,319</u>	<u>665,439</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common capital stock - par value \$.025 per share - authorized and issued 1,000,000 shares	250,000	250,000
Additional paid in capital	272,695	272,695
Retained earnings	6,975,677	6,898,523
Accumulated other comprehensive income	(35,338)	(53,493)
Less treasury stock at cost - 224,415 shares	<u>(187,218)</u>	<u>(187,218)</u>
Total stockholders' equity	<u>7,275,816</u>	<u>7,180,507</u>
Total liabilities and stockholders' equity	\$ <u>7,611,135</u>	\$ <u>7,845,946</u>

	Fourteen Weeks Ended February 2, 2002	Thirteen Weeks Ended January 27, 2001
NET SALES	\$ 1,198,789	\$ 1,069,646
COST OF SALES	<u>913,234</u>	<u>738,134</u>
Gross profit on sales	<u>285,555</u>	<u>331,512</u>
OPERATING EXPENSES		
Sales & delivery	33,591	21,084
General and administrative	<u>145,208</u>	<u>149,713</u>
Total operating expenses	<u>178,799</u>	<u>170,797</u>
Operating income	106,756	160,715
OTHER INCOME	<u>24,898</u>	<u>60,257</u>
Net income before taxes	131,654	220,972
FEDERAL AND STATE INCOME TAXES	<u>54,500</u>	<u>95,000</u>
Net income	77,154	125,972
RETAINED EARNINGS - beginning of period	<u>6,898,523</u>	<u>6,249,750</u>
RETAINED EARNINGS - end of period	\$ <u>6,975,677</u>	\$ <u>6,375,722</u>
EARNINGS PER SHARE OF COMMON STOCK	<u>0.10</u>	<u>0.16</u>
Average shares of stock outstanding	775,585	775,585

	Fourteen Weeks Ended February 2, 2002	Thirteen Weeks Ended January 27, 2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 77,154	\$ 125,972
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	17,160	18,429
Loss on sale of securities	12,054	18,217
Decrease (increase) in:		
Accounts receivable	341,359	(188,529)
Inventories	24,753	(109,420)
Prepaid expenses	4,395	98,201
(Decrease) increase in:		
Accounts payable	(16,108)	(38,623)
Accrued income taxes	(130,500)	-0-
Other current liabilities	<u>(183,512)</u>	<u>(99,645)</u>
Net cash provided (used) by operating activities	<u>146,755</u>	<u>(175,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	(71,741)	-0-
Purchases of securities	(161,537)	(475,819)
Sale of securities	<u>83,398</u>	<u>104,081</u>
Net (used) by investing activities	<u>(149,880)</u>	<u>(371,738)</u>
(Decrease) in cash	<u>(3,125)</u>	<u>(547,136)</u>
Cash and cash equivalents at beginning of period	<u>4,424,969</u>	<u>4,196,034</u>
Cash and cash equivalents at end of period	\$ <u>4,421,844</u>	\$ <u>3,648,898</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	<u>-0-</u>	<u>-0-</u>
Income taxes paid	\$ <u>185,000</u>	\$ <u>-0-</u>

OPT-Sciences Corporation and Subsidiary  
NOTES TO CONDENSED FINANCIAL STATEMENTS  
(Unaudited)

1. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly OPT-Sciences Corporation's financial position as of February 2, 2002 and October 27, 2001, and the results of operations for the fourteen weeks ended February 2, 2002 and the thirteen weeks ended January 27, 2001 and cash flows for the respective periods then ended.
2. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### FINANCIAL CONDITION

Cash and cash equivalents - OPT Sciences Corporation's cash balances decreased during the first three months of the year from \$4,424,969 to \$4,421,844. Profits generated, were offset by purchases of equipment and marketable securities. There are no material obligations in existence that would be anticipated to cause any substantial decrease in the cash balances from other than the Company's future operations.

### RESULTS OF OPERATIONS

Sales revenues have increased by about 12% from the level of the first three months of the prior year. Gross profits fell off as the labor force needed throughout the prior period was excessive for this volume level. Management has reviewed staffing levels and is in the process of making changes. Income from investments decreased as funds were shifted into securities from interest bearing savings accounts and securities that were deemed undesirable were sold.



## SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPT-SCIENCE CORPORATION  
Registrant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Anderson McCabe, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Harvey Habeck,  
Chief Accountant