

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1999-09-10** | Period of Report: **1999-07-31**
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FILER

OPT SCIENCES CORP

CIK: **74688** | IRS No.: **210681502** | State of Incorporation: **NJ** | Fiscal Year End: **1101**
Type: **10QSB** | Act: **34** | File No.: **000-01455** | Film No.: **99709593**
SIC: **3827** Optical instruments & lenses

Mailing Address
1912 BANNARD STREET
RIVERTON NJ 08077

Business Address
1912 BANNARD ST
RIVERTON NJ 08077
6098292800

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 July 31, 1999

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: 609-829-2800

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 No

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

Class	Outstanding at July 31, 1999
Common Stock, par value \$0.25	775,385 shares

INDEX

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets - July 31,
1999 and October 31, 1998 3

Consolidated Statements of Income -
thirteen weeks ended July 31, 1999 and
August 1, 1998 and thirty-nine weeks
ended July 31, 1999 and August 1, 1998 5

Consolidated Statements of Cash Flows -
thirty nine weeks ended July 31, 1999 and
August 1, 1998 6

Notes to Consolidated Financial Statements 8

Item 2. Management's Discussion
and Analysis or Plan of Operation 9

PART II OTHER INFORMATION

Item 1 Not Applicable

Item 2 Not Applicable

Item 3 Not Applicable

Item 4 Not Applicable

Item 5 Not Applicable

Item 6 Not Applicable

SIGNATURE 10

OPT-Sciences Corporation and Subsidiary
CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

July 31, October 31,
1999 1998

CURRENT ASSETS

Cash and cash equivalents	\$ 4,160,208	\$ 4,190,509
Trade accounts receivable	768,202	704,822
Inventories	341,700	357,716
Prepaid income taxes	131,511	-0-
Prepaid expenses	3,558	4,573
Marketable securities	510,087	501,884
Total current assets	5,915,266	5,759,504

PROPERTY AND EQUIPMENT

Land	114,006	114,006
Building and improvements	356,845	335,845
Machinery and equipment	767,008	739,007
Small tools	53,580	53,580
Furniture and fixtures	8,048	8,048
Office equipment	32,115	26,709
Automobile	42,336	42,336
Total property and equipment	1,373,938	1,319,531
Less: accumulated depreciation	884,326	828,382
Net property and equipment	489,612	491,149
Total assets	\$ 6,404,878	\$ 6,250,653

LIABILITIES AND STOCKHOLDERS' EQUITY

	July 31, 1999	October 31, 1998
CURRENT LIABILITIES		
Accounts payable - trade	103,385	64,305
Accrued income taxes	-0-	241,599
Other current liabilities	143,010	334,452
Total current liabilities	246,395	640,356

STOCKHOLDERS' EQUITY

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	5,820,165	5,254,632
Net unrealized gains on equity securities	3,391	20,188
Less treasury stock at cost - 224,615 shares and 224,415 shares (187,768)		(187,218)
Total stockholders' equity	6,158,403	5,610,297
Total liabilities and stockholders' equity	\$ 6,404,878	\$6,250,653

OPT-Sciences Corporation and Subsidiary
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Unaudited)

	Thirteen Weeks Ended July 31, 1999	Thirteen Weeks Ended August 1, 1998	Thirty-nine Weeks Ended July 31, 1999	Thirty-nine Weeks Ended August 1, 1998
NET SALES	\$ 1,079,148	\$ 1,266,911	\$ 3,023,952	\$ 3,458,974
COST OF SALES	606,313	675,366	1,828,562	1,871,812
Gross profit on sales	472,835	591,545	1,195,390	1,587,162
OPERATING EXPENSES				
Sales & delivery	7,652	7,340	23,120	19,134
General and administrative	131,620	107,249	393,084	346,645
Total operating expenses	139,272	114,589	416,204	365,779
Operating income	333,563	476,956	779,186	1,221,383
OTHER INCOME	54,132	64,678	162,427	150,414
Net income before taxes	387,695	541,634	941,613	1,371,797
FEDERAL AND STATE INCOME TAXES	154,845	257,892	376,080	589,873
Net income	232,850	283,742	565,533	781,924

RETAINED EARNINGS -
beginning of

period	5,587,315	4,654,154	5,254,632	4,155,972
RETAINED EARNINGS - end of period	\$ 5,820,165	\$ 4,937,896	\$ 5,820,165	\$ 4,937,896
EARNINGS PER SHARE OF COMMON STOCK	0.30	0.37	0.73	1.01
Average shares of stock outstanding	775,548	775,585	775,573	775,585

OPT-Sciences Corporation and Subsidiary
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Thirty-nine Weeks Ended July 31, 1999	Thirty-nine Weeks Ended August 1, 1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 565,533	\$ 781,924
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	55,944	46,097
(Gain) on sale of securities	-0-	(16,348)
Decrease (increase) in:		
Accounts receivable	(63,380)	124,081
Inventories	16,016	(3,715)
Prepaid Income taxes	(131,511)	-0-
Prepaid expenses	1,015	19,405
(Decrease) increase in		
Accounts payable	39,080	16,309
Accrued income taxes	(241,599)	118,788
Other current liabilities	(191,442)	(56,730)
Net cash provided by operating activities	49,656	1,029,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(54,407)	(140,962)
Purchases of securities	(25,000)	(143,424)
Sale of securities	-0-	56,750
Net cash (used)		

by investing activities	\$ (79,407)	\$ (227,636)
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	Thirty-nine Weeks Ended July 31, 1999	Thirty-nine Weeks Ended August 1, 1998
CASH FLOW FROM FINANCING ACTIVITIES:		
Purchases of treasury stock	\$ (550)	\$ (-0-)
Net cash (used) by financing activities	(550)	(-0-)
(Decrease) Increase in cash	(30,301)	802,175
Cash and cash equivalents at beginning of year	4,190,509	2,981,027
Cash and cash equivalents at end of year	\$ 4,160,208	\$ 3,783,202
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ -0-	\$ -0-
Income taxes paid	\$ 749,065	\$ 471,085

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 July 31, 1999 and October 31, 1998, and the results of operations for the thirty-nine weeks ended July 31, 1999 and August 1, 1998 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 thirty-nine weeks of the year from \$4,190,509 to \$4,160,208. Profits generated could not offset an increase in accounts receivable, asset and marketable security purchases and the payment of current and estimated corporate income taxes. There are no material obligations in existence which 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 decreased by about 13% from the level of the first nine months of the prior year. The drop-off is due primarily to the expiration of a large program at the end of the prior fiscal year. This has caused the gross profit to fall about 25% as compared to the prior year as the Company is not producing at its full capacity. Earnings from investments are higher due to higher invested balances than at the same time last year.

READINESS FOR YEAR 2000

The Company believes that it and its suppliers and customers will not be materially and adversely affected by the impact of the year 2000 date change. Management continues to review and monitor all internal processes and to confirm with its vendors and customers the readiness to deal with computer based problems related to the date change.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has

duly caused 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

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