

FORM 10-QSB
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES ACT OF 1934

For the quarterly period ended May 31, 2000

Commission File Number 0-12305

REPRO-MED SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

New York 13-3044880

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

24 Carpenter Road, Chester, NY 10918

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (845) 469-2042

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 during the past 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 (X) No ()

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

Class	Outstanding at May 31, 2000
-----	-----
Common stock, \$.01 par value	23,354,000 shares

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REPRO-MED SYSTEMS, INC
BALANCE SHEET

	5-31-00	2-29-00	
	-----	-----	
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	\$136,117	\$167,085	
Accounts Receivable, net	240,653	227,871	
Inventory	626,315	555,882	
Prepaid Expenses & Other Receivables	56,522	45,517	
Deposits	40,000	40,000	
	-----	-----	
TOTAL CURRENT ASSETS	1,099,607	1,036,355	
	=====	=====	
EQUIPMENT & OTHER ASSETS			
Equipment-net	469,114	483,806	
Other Assets	53,153	54,412	
	-----	-----	
TOTAL EQUIPMENT & OTHER ASSETS	522,267	538,218	
	-----	-----	
TOTAL ASSETS	\$1,621,874	\$1,574,573	
	=====	=====	
LIABILITIES & STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$142,662	\$59,363	
Accrued Expenses	187,496	184,936	
Current Portion Capital Gain	22,481	22,481	
Customer Deposits	175,090	245,230	
	-----	-----	
Total Current Liabilities	527,729	512,010	
Deferred Capital Gain	399,035	404,655	
	-----	-----	
TOTAL LIABILITIES	926,764	916,665	
	-----	-----	
STOCKHOLDERS' EQUITY			

Preferred Stock, 8% Cumulative \$.01 Par Value Authorized 2,000,000 Issued & Outstanding 10,000 Shares	100	100	
Common Stock, \$.01 Par Value, Authorized 50,000,000 Shares, Issued & Outstanding 23,354,000 & 22,904,000 Respectively	233,540	229,040	
Additional Paid-in Capital	2,054,131	2,031,631	
Accumulated Deficit	(1,450,661)	(1,460,863)	
Treasury Stock at Cost	(142,000)	(142,000)	
	-----	-----	
TOTAL STOCKHOLDERS' EQUITY		695,110	657,908
	-----	-----	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY		\$1,621,874	\$1,574,573
	=====	=====	

REPRO-MED SYSTEMS, INC
STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED

	May 31, 2000	May 31, 1999	
	-----	-----	
SALES			
Net Sales of Products	\$556,614	\$527,277	
 COST AND EXPENSES			
Cost of Goods Sold	292,454	303,447	
Selling, General & Administrative Expenses	219,797	296,341	
Research and Development	12,946	33,812	
Depreciation and Amortization	21,415	22,976	
	-----	-----	
TOTAL COST AND EXPENSES		546,612	656,576
	-----	-----	
 INCOME (LOSS) FROM OPERATIONS		10,002	(129,300)
 Non-Operating Income (Expense)			
Interest (Expense)	0	(10,216)	
Interest & Other Income	200	3,169	
	---	-----	
	200	(7,047)	
 INCOME (LOSS) BEFORE MINORITY INTEREST SHARE OF OPERATIONS		10,202	(136,347)
Minority Interest in Income of Subsidiary	0	(6,613)	
	-	-----	
 Income (Loss) Before Income Taxes		10,202	(142,960)
 Provision for Income Taxes		0	760
	-	---	
 NET INCOME (LOSS) AFTER TAXES		10,202	(143,720)
	=====	=====	
 EARNINGS (LOSS) PER COMMON SHARE			
Primary	\$0.00	(\$0.01)	
Fully Diluted	\$0.00	(\$0.01)	

REPRO-MED SYSTEMS, INC
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED

MAY 31, 2000 MAY 31, 1999
----- -----

OPERATING ACTIVITIES		
INCOME (LOSS) FROM CONTINUED OPERATIONS	\$10,202	(\$143,720)

ADJUSTMENTS TO RECONCILE NET INCOME
(LOSS) TO CASH PROVIDED BY OPERATING
ACTIVITIES

Depreciation and Amortization	21,415	22,976
Income (Loss) of Minority Interests	0	6,613
Deferred Gross Profit - Building Lease	(5,620)	0
	-----	-
	25,997	(114,131)

Changes In Assets and Liabilities

Accounts Receivable	(12,782)	(194,649)
Inventory	(70,433)	35,229
Prepaid Expenses and Other Receivables	(11,005)	14,416
Accounts Payable	83,299	82,154
Accrued Expenses	2,560	66,405
Customers Deposits	(70,140)	0
	-----	-
	(78,501)	3,555

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(52,504)	(110,576)
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INVESTING ACTIVITIES

Short Term Investments	0	(373,340)
Capital Expenditures	(5,283)	(7,695)
Other Assets	(181)	0
	-----	-
	(5,464)	(381,035)

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
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FINANCING ACTIVITIES

Issuance of Common Stock	27,000	0
Repayment of Term Loan	0	(22,825)
Repayment Line of Credit	0	(66,758)
	-	-----

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	27,000	(89,583)
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NET (DECREASE) IN CASH AND

CASH EQUIVALENTS	(30,968)	(581,194)
Cash and Cash equivalents, beginning of period	167,085	683,321
	-----	-----

Cash and Cash Equivalents, end of period	\$136,117	\$102,126
	=====	=====

SUPPLEMENTAL DISCLOSURES

CASH PAYMENTS FOR

Interest	\$0	\$10,216
Income Taxes	\$801	\$0

REPRO-MED SYSTEMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

MANAGEMENT'S STATEMENT

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form

10-KSB dated February 29, 2000.

PART I ITEM 2.

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

This Quarterly Report on Form 10-QSB contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to Repto-Med Systems, Inc. that are based on the beliefs of the management of Repto-Med Systems, Inc. as well as assumptions made by and information currently available to the management of Repto-Med Systems, Inc. The Company's actual results may vary materially from the forward-looking statements made in this report due to important factors such as: recent operating losses, uncertainties associated with future operating results; unpredictability related to Food and Drug Administration regulations, introduction of competitive products, limited liquidity; reimbursement related risks; government regulation of the home health care industry; success of the research and development effort, market acceptance of FREEDOM60, availability of sufficient capital to continue operations and dependence on key personnel. When used in this report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect the current views of Repto-Med Systems, Inc. with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Repto-Med does not undertake any obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THREE MONTHS ENDED MAY 31, 2000 VS. 1999

Sales increased 6% from \$527,277 (1999) to \$556,614 (2000) for the quarter ended May 31. Sales continued to improve for the Res-Q-Vac while sales of the IV decreased quarter over quarter due to a one-time sale of product to a distributor in 1999, which did not repeat this year. The OEM sales improved in this quarter over last year while the Plus resuscitator decreased due to a tender order which did not re-occur this year.

Cost of goods decreased 4% due to improved efficiencies in production and purchasing. The profit margin continued to improve this quarter with an increase from 42% in 1999 to 48% in 2000.

Selling, general and administrative expense decreased 26% for the current three-month period versus 1999. Management initiated expense and payroll reductions in September 1999 that continue to produce savings compared to prior periods.

Research and development expenses decreased 62% period to period reflecting payroll reductions made in the second quarter of fiscal 2000 and the reduction in the development of our new products due to limited available funds.

There was no material change in depreciation and amortization expense during this period.

Interest expense was reduced to \$0 as the result of a full payoff of all bank indebtedness in October 1999.

LIQUIDITY AND CAPITAL RESOURCES

Our working capital increased from \$524,345 as of February 29, 2000 to \$571,878 as of May 31, 2000.

As a subsequent event in June 2000 we negotiated a \$200,000 line of credit with Premier Bank which will be guaranteed by the President and one of our directors. The line of credit is intended for materials purchases for new orders.

We are currently operating at a neutral cash flow and have sufficient

capital for our ongoing needs, based on the anticipated continued sales growth and maintaining careful control of expenses. We have demonstrated our ability to control costs and believe we will be able to offset any unanticipated decreases in revenues with additional reductions in overhead, materials, and labor. The funds available on May 31, 2000 are expected to meet cash requirements as planned under current operating conditions for the next 12 months.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is neither a party to any material litigation, nor to the knowledge of the officers and directors of the Company, is there any material litigation threatened against the Company.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

No matters were submitted to a vote of security holders of the Company during the quarter ended May 31, 2000.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

None

SIGNATURES

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

REPRO-MED SYSTEMS, INC.

/s/ Andrew I. Sealfon

MAY 31, 2000

Andrew I. Sealfon, President, Treasurer,
Chairman of the Board, Director, and
Chief Executive Officer

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