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

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

For the fiscal year ended: February 28, 2002
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

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

Title of each class	Name of each exchange on which registered
Common stock, $.01 Par Value	Over the Counter Bulletin Board

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

Based on the closing sales price of February 28, 2002, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of the registrant was $1,029,300.

The number of issued outstanding of the registrant's common stock, $.01 par value was 23,504,000 at February 28, 2002 which includes 2,275,000 shares of Treasury Stock.

Repro-Med Systems, Inc.

Table of Contents

PART I

Item 1. Business

THE COMPANY

Repro-Med Systems, Inc. went public in 1982 (OTC - symbol REPR). We design and manufacture medical devices directing resources to the global markets for emergency medical products and infusion therapy. We maintain a presence in the US markets for impotency treatments and gynecological instruments. These products are regulated by the FDA.

Repro-Med Systems, Inc. was incorporated under the laws of the State of New York, March 1980. The corporate offices are located at 24 Carpenter Road, Chester, New York 10918. The telephone number is 845-469-2042, fax is 845-469-5518 and the Internet site is www.repro-med.com

PRODUCTS

The primary growth strategy is to develop unique, proprietary medical devices. These devices are intended to save money for the user and create a repetitive demand for replacement of the disposable component - "razor - blade model". This strategy led to our development of products for the ambulatory infusion systems and emergency medical equipment markets. Historically, contract manufacturing was a strong source of revenue, but the Company is transitioning away from this market in order to concentrate on our own proprietary devices. Male infertility and impotency treatments were the first markets entered in the early 1980's. Our presence in this market has decreased due to a shift in focus towards the RES-Q-VAC and FREEDOM60. The Company is seeking outside funding to introduce a couples sexual enhancement or dysfunction kit into this market. Gyneco, the gynecological instrument subsidiary, was acquired in 1986 and sales continue primarily through repeat business.

The table below presents the product mix for the last two fiscal years.

	2002 % of Sales	2001 % of sales
Infusion Therapy	12 %	7 %
Emergency Medical	63 %	55 %
Contract Manufacturing	16 %	27 %
Gynecological Instruments	9 %	10 %
Male Impotency Treatments	Less than 1 %	1 %

We have also been developing other new proprietary medical devices, which would be viewed as state-of-the-art and as fixed asset devices. These products include a device for female incontinence and a device that can be used to detect certain cancers non-invasively using special imaging techniques. Thus, we have products currently on the market, new short-term products about to be marketed, and long range products to support and enhance future growth. Research and Development efforts for our new products have been temporarily suspended for some and continue at a reduced rate for others. The Company will focus more efforts on the Research and Development front once funds become available through increased funds or outside financing.

AMBULATORY INFUSION SYSTEMS

The FREEDOM60 Syringe Infusion Pump was designed for ambulatory infusions. Ambulatory infusion pumps are most prevalent in the home care market. The home infusion therapy market is comprised of 4,500 sites of service, including local and national organizations, hospital-affiliated organizations, and national home infusion organizations with approximately $4.5 Billion in revenue annually (Ref: www.nhianet.org). With insurance reimbursement in a severe decline, there is a tremendous need for a low-cost, effective alternative to electronic and expensive disposable IV administration devices for the home care and nursing home market.

The FREEDOM60 provides a high-quality delivery to the patient at costs similar to gravity and is targeted for the home health care industry, patient emergency transportation, and for any time a low-cost infusion is required.

For the home care patient, FREEDOM60 is an easy-to-use lightweight mechanical pump acting on a 60cc syringe, completely portable, cost effective and maintenance free--no batteries to replace, no cumbersome IV pole. For the infusion professional, FREEDOM60 delivers precise infusion rates and uniform flow profiles providing consistent transfer of medication. A Form 510(k) Premarket Notification for initial design of the FREEDOM60 as a Class II device was approved by the FDA in May 1994.

During 2001, we developed a new version of the pump called the FREEDOM60-FM containing an electronic flow monitor system (occlusion and end of infusion alarm) which has opened excellent marketing avenues in nursing homes, hospitals and pediatric ambulatory applications where alarms are generally required for nursing acceptance. Nurses also appreciate being able to visualize the drug volume by reading the scale on the syringe.

We signed a group purchasing agreement in December 1999 with Child Health Corporation of America (CHCA) for the FREEDOM60 Syringe Infusion System. CHCA is a cooperative and business alliance of 38 children's hospitals and home care facilities which represents $4.5 billion in annual revenues, has over 61,000 hospital employees and 19,000 pediatricians and pediatric specialists. The agreement calls for CHCA to assist us to market the FREEDOM60 to its members through December 2002. Currently eight of the hospitals are actively using the system, and we are pursuing adding other hospitals in the system prior to the agreement expiration.

During August 2001, we began a trial of the FREEDOM60 at one location of a major national home healthcare agency. We received our first order, as a result of the successful trial, in September 2001. Since then we have added two more sites and have 4 trials in progress. We will be working diligently to begin trials at the remaining locations within the next six to twelve months.

As a direct result of our sales efforts at the Medica Trade Show in Dusseldorf, Germany, the Company authorized an Italian distributor to obtain the CE Mark to market the FREEDOM60 in Europe. We have been advised that the distributor has obtained the CE Mark and at the end of February we shipped product to Italy for distribution and trial.

Repro-Med Systems' objective is to build a product franchise with FREEDOM60 and the sale of patented disposable tubing sets. FREEDOM60 uses rate-controlled tubing with standard slide clamp and luer-lock connector. The patented syringe disc connector insures that only FREEDOM60 tubing sets sold by us will function within the pump. Non-conforming tubing sets, without the patented disc connector, are ejected from the pump and prevent an overdose or runaway pump from injuring the patient.

THE MARKET FOR PUMPS & DISPOSABLES

The ambulatory market has been rapidly changing due to reimbursement issues. Insurance reimbursement has been drastically reduced providing opportunity for FREEDOM60. The market share of high-end electronic type delivery systems is on the decline as well as high-cost disposable non-electric devices. Market pressures have forced patients to go on low-cost gravity systems or IV push where the drug is pushed into the vein directly from a syringe. This is a

low-cost option but has been associated with complications and considered by many to be a high-risk procedure. Thus, the overall trend has been towards syringe pumps due to the low-cost of disposables. FREEDOM60-FM addresses the largest market segments with the lowest cost alarm syringe pump system.

The chart below summarizes the market trends of devices.

Method of Administration	Market Trend
Ambulatory Pump	Flat/Declining
Gravity Infusion	Increasing
Pole Mounted Pump	Declining
Elastomeric	Declining
Syringe	Increasing
Implant	Increasing
IV Push	Increasing

ECONOMIC BENEFITS OF FREEDOM60 DISPOSABLE SALES

At the moment we estimate that there are approximately 1,600 Freedom60 pumps currently in use. We sold approximately 720 pumps during the past fiscal year. The Freedom60 pump is designed for a minimum use of 4,000 cycles which at our list price is amortized at a low $.05 per use. The tubing sets currently have a list price of $3.30. From past experience, we have noted that each pump is used an average of 12 times per month. If the pump is operated up to 4 times per day, the total use per month would be 48, and thus the pump life expectancy is anticipated to be over six and a half years. This monthly rate amounts to annual usage of 144 sets producing typical gross revenues to the distributor of $475 per pump. Installed bases for various levels of pumps produce the following sales:

Pumps In Market	Annual Sales of Disposables
5000	$ 2,376,000
10000	$ 4,752,000
50000	$23,760,000
100000	$47,520,000

We have a combination of direct sales and sales through distributors. Distributors typically receive discounts from list price depending upon servicing and volumes of up to 35%.

COMPETITION FOR THE FREEDOM60

FREEDOM60 competes in the United States infusion pump market based on price, service and product performance. Some of the competitors have significantly greater resources for research and development, manufacturing and marketing, and as a result may be better prepared to compete for market share even in areas in which FREEDOM60 products may be superior.

The industry is subject to technological changes and there can be no assurance that we will be able to maintain any existing technological lead long enough to establish our products and to sustain profitability.

EMERGENCY MEDICAL PRODUCTS

Emergency medical products consists of two lines; RES-Q-VAC hand powered emergency suction pump and PLUS Reusable Silicone Resuscitators.

RES-Q-VAC provides a complete emergency suction system for neonates, children and adults for use in any location, as it is non-electric. RES-Q-VAC removes fluids from a patient's airway. RES-Q-VAC consists of a hand-held, portable suction pump that can be connected to various sized sterile or non-sterile catheters. The one-hand operation makes it extremely effective particularly in emergencies. The disposable features of the RES-Q-VAC reduce the risk of contaminating the technician, for example, from HIV when suctioning a patient or during post treatment cleanup. All the parts that connect to the pump are disposable. RES-Q-VAC was introduced in 1990 and is now sold in thirty-one countries. The product is generally found in emergency vehicles, hospitals and

as backup support for powered suction systems.

The RES-Q-VAC is currently the market leader for manual, portable suction instruments. The primary competition is the V-Vac from Laerdal. The V-Vac is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or extreme cold. Laerdal had more resources than Repro-Med Systems and had begun marketing the V-Vac before RES-Q-VAC entered the market. The RES-Q-VAC, however, has proven to be significantly superior and dominates the market to date. Every market leader can expect competition and recently Ambu has entered the market with the Res-Cue brand pump, a product similar to RES-Q-VAC, made in China. Management believes the product is not as well made or as versatile, and may not be purchased by the military segment of the market due to lines of supply concerns. With additional capital, management believes it will continue to maintain and build market share with an improved RES-Q-VAC (discussed below) and gain a significant portion of the electric suction pump market with the introduction of the RES-Q-VAC Plus system currently under development.

On April 10, 2001, we submitted a patent application for our new FULL STOP PROTECTOR. This upgrade to the RES-Q-VAC system prevents any fluids from exiting the system. It also serves to trap airborne and fluid pathogens. We believe that the addition of the full stop design substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass air born pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and the new RES-Q-VAC provides substantially improved protection for these users.

OSHA 29CFR 1910.1030 - Occupational Exposure to Bloodborne Pathogens requires that employers of "...emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers... must consider and implement devices that are appropriate [to contain bloodborne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as Repro-Med's FULL STOP PROTECTION for RES-Q-VAC. The Company has received a letter from OSHA indicating the RES-Q-VAC meets the intent of this regulation.

The PLUS line is not very profitable for Repro-Med so management has decided to liquidate inventory on hand to discontinue this line.

RES-Q-VAC and PLUS are sold domestically and internationally by emergency medical device distributors. These distributors generally advertise these products in their catalogs.

IMPOTENCY TREATMENTS

We market the RESTORE Kit for the treatment of impotency. RESTORE uses vacuum therapy to naturally induce blood flow to enable an erection. The kit includes Pro-Long constriction rings that make it possible to trap the blood and maintain the erection.

The US market for impotency treatments is estimated at 30 million men. Pfizer reports that Viagra will not work for 30%-40% of impotent men. Consequently, the potential market for the RESTORE Kit in the US is approximately 10 million men. We have been compelled by limited resources to rely heavily on the web site to generate interest and sales for the RESTORE Kit.

GYNECOLOGICAL INSTRUMENTS

We purchased the Gyneco product line in 1986. Products included the Masterson Endometrial Biopsy Kit for in-office biopsy sampling procedures and the Thermal Cautery System used for tubal ligation procedures.

Masterson Endometrial Biopsy Kit is a self-contained unit that offers a quick and easy procedure for in-office tissue sampling. The powerful vacuum pump is easily operated with one hand. The pump is supplied with sterile disposable curettes and specimen containers presented in a kit.

The Thermal Cautery System is designed to provide a safe, reliable and effective method of female sterilization. The unit is small, compact and portable. A

rechargeable battery supplies power. The unit uses disposable components that include the cautery hook assembly, cannula and Trocar stylette.

CONTRACT MANUFACTURING

Historically, we have used OEM profits to partially fund internal product development that has resulted in RES-Q-VAC and FREEDOM60. OEM sales have been as high as 70% of sales (1996). In 2002 and 2001, contract manufacturing for one customer amounted to 16% and for two customers 27% of sales, respectively. In late 1998, one customer substantially reduced marketing support for its product and consequently requested postponement of shipments. We have been manufacturing a portable, hand-operated suction pump for sale to the remaining active customer but have been informed that the demand for this product has diminished. As a result, the Company is transitioning from these contracts to building and selling its own proprietary products due to the much-improved margins associated with directly marketed devices.

SALES AND DISTRIBUTION

Distribution channels for the products are those generally common to their respective markets. Emergency medical products are sold through a wide network of domestic and international distributors in 31 overseas countries. Ambulatory infusion systems are sold through both direct sales efforts concentrated on large national accounts and a network of medical device distributors. Gynecological instruments are sold from the corporate offices primarily through repeat business. Male impotency treatment products are marketed primarily through the web site and a limited number of distributors of personal care items.

We signed a group purchasing agreement that facilitates sales presentations to approximately 38 allied members of the Child Health Corporation of America. Currently 8 of the members are using our products. The agreement will expire in December 2002 along with the substantially low prices that these centers are receiving. We are actively pursuing the addition of more of these centers so that they may institute the product at their center and enjoy the low prices for several months before the agreement expires.

During the past year, we signed agreements with other distribution groups for various marketing efforts of our different products, but these proved not to be fruitful and the Company has decided to take a more active role in the sales and marketing process. We are still open to outside distributors but we have no assurance that they will be able to produce and at what sales levels they will be able to produce.

MANUFACTURING AND EMPLOYEES

Electromechanical assembly, calibration, pre- and post-assembly quality control inspection and testing, and final packaging for all products are performed at the facility by the employees. Products are assembled using molded plastic parts acquired from one supplier located in Taipei, Taiwan and several U.S. vendors. The availability of parts has not been a problem. The cost and time required to fabricate molds to manufacture parts can slow the development of new products and might temporarily limit supply if we determine it is advisable to seek alternate sources of supply for existing products. Our policy has been to have multiple vendors as suppliers, where practicable, that also offer mold-building capabilities as a service.

In February 2002, we employed 25 employees, 20 were assigned to manufacturing operations, 3 to administrative functions, 1 Vice President of Operations (responsible for manufacturing, warehouse and procurement operations), and 1 Executive Officer (Andrew Sealfon). The Company is dependent on the services of Andrew Sealfon who serves as President and the head of Research and Development and is also instrumental in marketing and finance. The Company does not have insurance on the life of Andrew Sealfon and may not be able to replace him if the need arose.

REGULATIONS GOVERNING THE MANUFACTURING OPERATIONS

The Food, Drug and Cosmetic Act governs the development and manufacturing of all medical products. The Act requires us to register the facility, list devices, file notice of intent to market new products, track the locations of certain

products and to report any incidents of death or serious injury relating to the products with the FDA. We are subject to civil and criminal penalties and/or recall seizure or injunctions if we fail to comply with regulations of the FDA.

The most recent Form 510(k) filings with the FDA were for the resuscitator and the vacuum erection device and constriction rings, both approved in 1998.

We are required to comply with federal, state and local environmental laws; however, there is no significant effect of compliance on capital expenditures, earnings or competitive position. We do not use significant amounts of hazardous materials in the assembly of these products.

Periodically we are subject to inspections and audits by FDA inspectors. During the year ended February 28,2002, we were subject to an audit that was triggered by a recall. The FDA issued the Company a 483 at the end of the audit, which we responded to, and the FDA accepted the response. The FDA will verify our accepted response on their next inspection, which could occur at any time. As a result of FDA audits, the Company may be subject to further audits and may be impacted by adverse findings.

PATENTS AND TRADEMARKS

We have filed and received U.S. protection for many of our products and in some cases, where it was no longer deemed economically beneficial, we have allowed certain patent protections to lapse. The RES-Q-VAC, an emergency medical product, is susceptible in the international market to imitation. A competitor has introduced a competitive product to the RES-Q-VAC into the market within the last year. We have responded with the introduction of new innovative features for the RES-Q-VAC that enhances the product and places it steps above the competition in safety.

On April 10, 2001, we submitted a patent application for our new Full Stop Protector. This addition to the RES-Q-VAC system prevents any fluids from exiting the system. It also serves to trap airborne and fluid pathogens. We believe that the addition of the flow block design substantially separates the RES-Q-VAC from competitive units, which tend to leak fluid when becoming full or could pass air born pathogens during use. There is a heightened concern from health care professionals concerning exposure to disease and the new RES-Q-VAC provides improved protection for these users.

OSHA 29CFR 1910.1030 - Occupational Exposure to Bloodborne Pathogens requires that employers of "...emergency medical technicians, paramedics, and other emergency medical service providers; fire fighters, law enforcement personnel, and correctional officers...must consider and implement devices that are appropriate [to contain bloodborne pathogens], commercially available and effective." These first responders risk exposure to serious disease, and the employers may risk OSHA violations and lawsuits if they fail to consider protective measures such as Repro-Med's Full Stop Protection for RES-Q-VAC The Company has received a letter from OSHA indicating the RES-Q-VAC meets the intent of this regulation.

The most recent patent granted to us was # 5,336,189 for a "Combination IV Pump & Disposable Syringe" which confers a unique syringe to IV pump interface design. This patent is for the FREEDOM60 Infusion System, an infusion therapy product. The cost of filing and maintaining applications has deterred pursuing international patents.

The patent position of small companies is highly uncertain and involves complex legal and factual questions. Consequently, there can be no assurance that patent applications relating to products or technology will result in patents being granted or that, if issued, the patents will afford protection against competitors with similar technology.

Furthermore, some patent licenses held may be terminated upon the occurrence of certain events or become non-exclusive after a specified period. There can be no assurance that we will have the financial resources necessary to enforce any patent rights we may hold.

Our product names are registered trademarks. There can be no assurance that

patents or trademarks will provide competitive advantages for the products covered or that they will not be challenged or circumvented by competitors.

Item 2. Description of Property

In February 1999, we executed a sale-leaseback for our masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. The facility is the only location and is used for our headquarters and manufacturing operations.

Under terms of the contract of sale, we have the option to re-purchase the building, beginning on the second anniversary of the sale and ending on the eighth anniversary. We are required to give 12 months prior notice of the intent to re-purchase the building. The agreed upon amount for re-purchase is as follows:

Year Four	$2,205,000	Year Five	$2,315,250
Year Six	$2,431,013	Year Seven	$2,552,563

The property is currently subject to a 20-year lease. We are responsible for repairs, maintenance and upkeep of the space we occupy. The terms of the lease call for monthly lease payments of $10,000 per month and 65% of the annual property taxes that amounted to $40,614 for the year ended February 28, 2002. Our monthly rent is $10,000 for the first 10 years of the lease and $11,042 thereafter.

Item 3. Legal Proceedings

We are not a party to any material litigation, nor to the knowledge of the officers and directors, is there any material litigation threatened against us.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fiscal year ended February 28, 2002.

PART II

Item 5. Market for the Registrant's Common Equity and Related Shareholder Matters

We are authorized to issue 50,000,000 shares of Common Stock, $.01 par value. As of February 28, 2002, 23,504,000 shares were issued and outstanding and there were approximately 1,160 holders of record.

Our Common Stock is traded in the over-the-counter market and is quoted through the National Daily Quotation Service. The following table sets forth the high and low closing bid quotations for the Common Stock as reported by the National Quotation Bureau, Inc. for the periods indicated. These quotations represent interdealer prices, without retail mark-up, markdown or commission and may not represent actual transactions.

Year Ended February 28, 2001:	High Bid	Low Bid
1st Quarter	$ 0.280	$ 0.280
2nd Quarter	$ 0.490	$ 0.450
3rd Quarter	$ 0.160	$ 0.160
4th Quarter	$ 0.180	$ 0.150
Year Ended February 28, 2002		
1st Quarter	$ 0.260	$ 0.150
2nd Quarter	$ 0.230	$ 0.110
3rd Quarter	$ 0.230	$ 0.110
4th Quarter	$ 0.140	$ 0.070

On February 2, 1993 we issued 10,000 shares of 8% Cumulative Convertible Preferred Stock in a private placement for $100,000. We are obligated to pay semi-annual dividend payments of $4,000 until conversion by shareholders or redemption by us. The 10,000 shares of Cumulative Convertible Preferred Stock

are convertible to 294,117 shares of Repro-Med common stock at $0.36 per share. The 10,000 shares of Cumulative Convertible Preferred Stock are convertible based on the following formula: multiply the number of shares of Preferred Stock to be converted by $10.00, divide the result by the conversion price of $0.20 per share (or by the conversion price as last adjusted and in effect at the date any shares are surrendered for conversion). The Conversion Price shall increase by $.02 for each year that the Preferred Stock is outstanding. The current conversion price is $.38.

We have not declared or paid any cash dividends on our Common Stock and do not anticipate that any dividends will be paid in the foreseeable future. During the fiscal year ended February 28, 2002, dividend payments on the Convertible Preferred Stock amounted to $8,000 and an additional $4,000 were accrued on the balance sheet.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-KSB contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to us that are based on the beliefs of the management, as well as assumptions made by and information currently available. Our 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 current views 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.

These statements involve risks and uncertainties with respect to the ability to raise capital to develop and market new products, acceptance in the market place of new and existing products, ability to penetrate new markets, our success in enforcing and obtaining patents, obtaining required Government approvals and attracting and maintaining key personnel that could cause the actual results to differ materially. Repro-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.

RESULTS OF OPERATIONS

2002 vs. 2001

For the year ended February 28 , 2002 we showed a loss of $386,075 as compared to a loss for the previous year of $104,457. This decline was mainly a result of a decrease in total net sales for the year ended February 28,2002 due to a reduction in sales for less profitable products.

Sales of our key products have significantly increased this year. Sales of the Freedom60 Syringe Infusion System increased by 37% over the prior year and sales of our RES-Q-VAC Airway Suction System increased by 13% over the prior year. These sales increases were offset by the elimination of low margin products and recognition of an OEM sale, which resulted in overall sales this year decreasing 16% to $1,758,904 for 2002 from $2,085,912 for 2001. Without the OEM sale recognized during fiscal year 2001, net sales would have decreased by only 4% overall as a result of the elimination of low margin products offset by significant increases in our key products.

The company has recently added a new Full Stop Protector to the RES-Q-VAC, which protects the users from any contamination from overflow and traps all pathogens inside the suction container. This new feature is also a requirement of the Occupational Safety and Health Administration under OSHA 29CFR 1910.1030 -

Occupational Exposure to

Bloodborne Pathogens. The RES-Q-VAC is the only hand-held non-electric suction system with sterile catheters for infants, large catheters for adults, and meets the intent of the OSHA requirements with the Full Stop Protection device. The Company has recently received a letter from OSHA confirming that the Full Stop Protector falls under the engineering controls of the Bloodborne Pathogen regulation and therefore would be required by any employer of medical personnel to protect their employees from potentially infectious materials.

In August 2001, we received our first military order for the RES-Q-VAC from one base location of the US Air Force. We received several small orders from other bases during the last half of the year for RES-Q-VAC under their existing AFMLO/VA contract. The company anticipates additional orders will be placed during Fiscal year 2003.

Management is seeking funds to design a new improved RES-Q-VAC suction device to expand the market substantially, although there is no assurance that such funding can be obtained, or obtained at terms acceptable to us, or that if funded, the markets would develop as expected. We are also planning to further promote the RES-Q-VAC in the home care market, for which the RES-Q-VAC is ideally suited due to its low cost, portability and convenience.

We have been marketing FREEDOM60 directly to national providers, other distributors, and regional home care agencies. Sales of FREEDOM60 are expected to continue to improve as new pump sales and restocking orders for disposables are received. Furthermore, we are negotiating with a national distributor, which would additionally improve sales potential for the line.

In September 2001, the Company began selling to a major national home care agency that anticipates expanding the use of the FREEDOM60 to its regional centers across the country. Currently three centers of the agency are using the FREEDOM60 and four others are on trials. We anticipate starting trials in the remaining centers within the next six to twelve months. We have also begun sales into Europe with an Italian master distributor who arranged for CE approval of the FREEDOM60.

Gross profit decreased to 25% of net sales for the year ended February 28,2002 from 38% for the year ended February 28,2001 primarily as a result of the timing of the recognition of an OEM sale during the year ended February 28,2001. When excluding this OEM sale for the year ended February 28,2001, the current gross profit percentage is indicative of our current core business.

Selling, General & Administrative Expenses (SG&A) decreased year over year 2% primarily as a result of a reduction in administrative personnel.

Research and development increased 14% to $40,835 from $35,843 as a result of the use of outside engineering personnel during the year and for final developments on the Full Stop Protection device for the RES-Q-VAC.

Net loss increased 270% to $386,075 for the year ended February 28,2002 from $104,457 for the year ended February 28,2001, primarily as a result of the decrease in net sales for the year ended February 28,2002.

For the year ending February 28, 2002, one customer's, Timm Medical, sales were 16% of the total sales. Management has been informed that Timm Medical has sufficient inventory on hand to cover sales through September and that future orders will be at a significantly reduced rate. As a result management has decided to shift Company focus to its own proprietary products and markets.

LIQUIDITY AND CAPITAL RESOURCES

At the end of fiscal year 2002, we had net working capital of $183,120 a decrease of $348,225 from the previous year.

During June 2000, we negotiated a $200,000 line of credit with M&T Bank that is guaranteed by the President and one of the directors. As of February 28,2002, $200,000 has been advanced on the line of credit. In accordance with the agreement the line of credit was to be renewed or paid off by June 30, 2001. We have received a verbal continuance from the bank through June 30,2002.

We negotiated a settlement with a lender that was remitted on October 29, 1999. As part of the agreement, we signed a promissory note for $66,000 that becomes due through October 2002 only upon the sale of either of our two major product lines. If neither of the two product lines is sold, the note payable terminates.

We maintained our operations during Fiscal Year 2002 by borrowing approximately 200,000 from outside sources. We are attempting to achieve positive cash flow by continuing to increase sales for the FREEDOM60 and RES-Q-VAC, decreasing material costs and by pursuing capital investment through debt or equity. The Company is working with outside distributors to increase market share in the European markets for the RES-Q-VAC, and to introduce the FREEDOM60 into the European market. We are in the process of validating new lower-cost and more efficient vendors for our raw materials, which will assist us in improving our margins on our current products. Sales of our key products increased significantly for the first quarter ended May 31,2002 versus the prior year first quarter ended May 31,2001. Sales of the Freedom60 Syringe Infusion System increased by 31% over the prior year and sales of our RES-Q-VAC Airway Suction System increased by 37% over the prior year. Total sales for the first quarter ended May 31,2002 were the same as the first quarter ended May 31,2001 despite the loss in sales of $81,000 from a major OEM customer for the first quarter 2002 and reduced sales for a low margin product line that we have been phasing out over the last year.

Accounts Receivable decreased at February 28, 2002 to $190,938 as compared to $207,588 for the previous year. Domestic sales are made primarily on net 30-day payment terms. A variety of terms continue to be employed for export sales including cash prepayments and net 45 days to allow for increased delays due to transportation and communications. As of February 28, 2002, 69% of Accounts Receivable were current, 25% were at 30-59 days and 6% were over 60 days.

Prepaid expenses and other receivables decreased $26,680 from $39,587 to $12,907.

Capital expenditures in 2002 were $80,927 as compared to $73,060 in 2001. We purchased tooling and a new phone system through outside leasing programs. Other assets decreased $1,012.

In February 1999, we executed a sale-leaseback for our masonry and steel frame building erected on 3.27 acres of land located at 24 Carpenter Road, Chester, New York 10918. The facility is our only location and is used for our headquarters and manufacturing operations.

Under terms of the contract of sale, we have the option to re-purchase the building, beginning on the second anniversary of the sale and ending on the eighth anniversary. We are required to give 12 months prior notice of the intent to re-purchase the building. The agreed upon amount for re-purchase is as follows:

Year Four	$2,205,000	Year Five	$2,315,250
Year Six	$2,431,013	Year Seven	$2,552,563

The property is currently subject to a 20-year lease. We are responsible for repairs, maintenance and upkeep of the space occupied. The terms of the lease call for monthly lease payments of $10,000 per month and 65% of the annual property taxes that amounted to $40,614 for the year ended February 28, 2002. Our monthly rent is $10,000 for the first 10 years of the lease and $11,042 thereafter.

SUBSEQUENT EVENTS

NEW BOARD OF DIRECTOR MEMBERS

During March 2002, the Board agreed to elect two new Board members; Joseph Drohan and David Florman.

Mr. Drohan is the President and Co-Founder of Healthwave, Inc. , healthcare technology and services company, located in Long Island, New York. He held several positions with the North Shore Long Island Jewish Health System and has been a Director for various health organizations.

Mr. Florman is currently employed by Empire Blue Cross Blue Shield of New York as the Senior Vice President of Medical Delivery and Medicare Risk. He has held various positions with Aetna US Healthcare, Inc. as well.

2001 vs. 2000

For the year ended February 28, 2001 we showed a loss of $104,457 as compared to a profit for the previous year of $250,300. This decline was mainly a result of equity based compensation of $133,000 associated with the issuance of stock and stock options for services rendered, during the year ended February 28, 2001, coupled with the sale of a subsidiary, and a favorable debt settlement of a line a credit for the year ended February 29, 2000.

Total net sales increased slightly to $2,085,912 from $2,065,400. FREEDOM60 sales increased 17% to $146,111 from $125,021, RESTORE sales increased 111% to $64,360 from $30,483 and OEM sales increased 15% to $569,839 from $493,378. Resuscitator sales decreased 31% to $160,790 from $233,336, GYNECO sales decreased 7% to $203,611 from $219,851 and RES-Q-VAC sales decreased a slight 2% to $947,019 from $963,341.

Cost of Goods Sold (COGS) decreased 2% to $1,106,972 from $1,125,552 due to improved manufacturing processes, aggressive purchasing, and other production efficiencies.

Selling, General & Administrative Expenses (SG&A) decreased year over year 18% primarily as a result of decreased payroll due to reductions in management staff.

Research and development decreased 56% to $35,335 from $80,944. Factors in this decrease were due to a salary reduction, the departure of a senior engineer, and a planned decrease in new products until we experience an improvement in available capital. We have placed development and research on hold pending the infusion of new investment capital for such programs.

Net loss for operations decreased 57% to $102,351 from $237,337, which was primarily the result of decreased payroll, decreased research & development and a decrease in overall spending for the period.

Non-operating income decreased significantly to ($2,106) from $370,745 primarily resulting from the sale of the Gamogen subsidiary and the joint venture for RESTORE in the previous year. The current year non-operating income and expense consisted primarily of interest expense for the credit line and equipment lease and interest and other income.

For the year ending February 28, 2001, there were two customers whose combined sales were 27% of the total sales, Timm Medical and Mission Pharmacal. Sales are expected to continue with Timm Medical, however, Mission has advised us that they have reduced market support of their product and no additional purchases are anticipated for the fiscal year ending 2002.

On August 28, 2000, we were notified of an Indefinite Delivery, Indefinite Quantity (IDIQ) Contract #RFP-797-FDF3-00-0089 awarded on August 25, 2000 by the AFMLO/VA Services Division. This material contract covers three of the Company's patented products, RES-Q-VAC Manual Suction System, FREEDOM60 Syringe Infusion System and Masterson Endometrial Biopsy System, which are now available to all government agencies. We continue in the process of contacting the various branches of the government that have continued to express interest in these products.

On September 29, 2000, we were notified that the U. S. Defense Logistics Information Service in Battle Creek, MI had assigned National Stock Numbers to our FREEDOM60 and RES-Q-VAC products and accessories. This now facilitates orders from any U. S. military agency to be able to acquire our products from a national military catalog listing.

On November 5th, 2000, the Health Care Financing Administration (HCFA) had advised us that after the ninety day review process of our application, the SADMERC and the four Durable Medical Equipment Regional Carriers DMERCs) completed the HCPCS coding re-review and advised us that the correct billing code for the RES-Q-VAC was E1399, a durable equipment miscellaneous

reimbursement code. Subsequently, three weeks later HCFA advised us that it was rescinding the previous correspondence because we didn't prove the use of RES-Q-VAC in a home setting. The Company is gathering further information and home care user testimonials. Once we have secured sufficient testimonials we will reapply.

Item 7. Financial Statements

Index to Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS
REPRO-MED SYSTEMS, INC.

We have audited the accompanying balance sheet of Repro-Med Systems, Inc. as of February 28, 2002 and the related statements of operations; stockholders' equity and cash flow for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repro-Med Systems, Inc. as of February 28, 2002 and the results of their operations and their cash flows for each of the two years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered from recurring losses from operations, including net losses of $386,075 and $104,457 for the years ended February 28,2002 and 2001, respectively. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Radin, Glass & Co., LLP

New York, NY
April 15, 2002

Repro-Med Systems, Inc.
Balance Sheet

ASSETS	February 28, 2002
CURRENT ASSETS	
Cash	$ 25,670
Accounts Receivable, net	190,938
Inventory	600,635
Prepaid Expenses & Other Receivables	12,907
TOTAL CURRENT ASSETS	830,150
EQUIPMENT & OTHER ASSETS	
Equipment-net	467,985
Other Assets	49,064
Deposits	52,000
TOTAL EQUIPMENT & OTHER ASSETS	569,049
TOTAL ASSETS	$ 1,399,199
LIABILITIES & STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	$ 189,111
Demand Loan from President	69,000
Bank Line of Credit Payable	200,000
Accrued Expenses	144,792
Current Portion of Capital Gain	22,481
Current Portion of Leases Payable	21,646
Total Current Liabilities	647,030
Deferred Capital Gain	359,695
Long Term Leases Payable	55,098
TOTAL LIABILITIES	1,061,823
COMMITMENTS AND CONTINGENCIES	0
STOCKHOLDERS' EQUITY	
Preferred Stock, 8% Cumulative $.01 Par Value Authorized 2,000,000 Issued & Outstanding 10,000 Shares (liquidation value $100,000)	100
Common Stock, $.01 Par Value, Authorized 50,000,000 Shares, Issued & Outstanding 23,504, 000 Respectively	235,040
Additional Paid-in Capital	2,211,631
Accumulated Deficit	(1,967,395)
Treasury Stock at Cost	(142,000)
TOTAL STOCKHOLDERS' EQUITY	337,376
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 1,399,199

*See accompanying notes to consolidated financial statements

Repro-Med Systems, Inc.
Statements of Operations
For The Years Ended

	February 28, 2002	February 28, 2001
Sales		
Net Sales of Products	$ 1,758,904	$ 2,085,912
Costs and Expenses:		
Cost of Goods Sold	1,330,960	1,286,475
Selling, General & Administrative	635,530	647,974
Research & Development	40,835	35,843
Depreciation & Amortization	84,839	84,971
Equity Based Compensation	41,000	133,000
Total Costs And Expenses	2,133,164	2,188,263
Net Operating Loss	(374,260)	(102,351)
Non-Operating Income (Expense)		
Interest Expense	(20,252)	(5,483)
Interest & Other Income	9,009	3,377
Total Non-Operating Income (Expense)	(11,243)	(2,106)
(Loss) before Taxes	(385,503)	(104,457)
(Provision) Benefit for Income Taxes	(572)	0
Net (Loss)	(386,075)	(104,457)
Preferred Dividend	(12,000)	(8,000)
Net (Loss) Available to Common Shareholders	($ 398,075)	($ 112,457)
Weighted average number of shares outstanding		
Basic	23,504,000	23,354,000
Diluted	23,504,000	23,354,000
(Loss) Per Common Share		
Basic-	($ 0.02)	($ 0.00)
Diluted	($ 0.02)	($ 0.00)

*See accompanying notes to consolidated financial statements

Repro-Med Systems, Inc.
Statement of Changes in Stockholders' Equity
For the Years Ended February 28, 2002 & February 28, 2001

<TABLE>
<CAPTION>

	Total Equity	Preferred Shares	Stock Amount	Common Shares	Warrants & Addt'l Stock Amount	Paid-in Capital	Unearned Compensation	Accumulated (Deficit)	Treasury Stock
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
February 29,2000	$ 657,908	10,000	$ 100	22,904,000	$ 229,040	$2,031,631	$ 0	($1,460,863)	($142,000)
Preferred Dividend	(4,000)					(4,000)			
Net Loss	(104,457)					(104,457)			
Equity Based Compensation	133,000			400,000	4,000	170,000	(41,000)		
Exercise of Options	12,000			200,000	2,000	10,000			

February 28,2001	$ 694,451	10,000	$ 100	23,504,000	$ 235,040	$2,211,631	($41,000)	($1,569,320)	($142,000)	
Preferred Dividend	(12,000)							(12,000)		
Net Loss	(386,075)							(386,075)		
Equity Based Compensation ...	41,000						41,000			
February 28,2002	$ 337,376	10,000	$ 100	23,504,000	$ 235,040	$2,211,631	$ 0	($1,967,395)	($142,000)	

</TABLE>

* See accompanying notes to financial statements

Repro-Med Systems, Inc
Statements of Cash Flows
For the Years Ended

	February 28, 2002	February 28, 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	($386,075)	($104,457)
Adjustments to reconcile net (loss) to cash used in operating activities:		
Equity Based Compensation	41,000	133,000
Depreciation and Amortization	84,839	84,971
Deferred gross profit - building lease	(22,481)	(22,481)
Accounts Receivable	16,649	20,283
Inventories	(13,769)	(30,984)
Prepaid Expenses	26,680	(6,070)
Other Assets	1,012	4,336
Accounts Payable	86,974	42,774
Accrued Expenses	12,358	(52,501)
Demand Loan from President	69,000	0
Leases Payable	39,714	37,029
Customers Deposits	(2,770)	(242,460)
NET CASH USED BY OPERATIONS	(46,869)	(136,560)
CASH FLOWS USED BY INVESTING ACTIVITIES		
Capital Expenditures	(80,927)	(73,060)
NET CASH USED BY INVESTING ACTIVITIES	(80,927)	(73,060)
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from line of credit	130,000	70,000
Preferred stock dividends	(12,000)	(4,000)
Issuance of Common Stock/Exercise of Options ..	0	12,000
	-	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	118,000	78,000
NET DECREASE IN CASH	(9,796)	(131,620)
CASH, beginning of period	35,466	167,085
CASH, end of period	$ 25,670	$ 35,466
Supplemental disclosures of Cash Flow Information:		
Interest	$ 20,252	$ 5,483
Income Taxes	572	0

*See accompanying notes to financial statements

Repro-Med Systems, Inc.
Notes To Consolidated Financial Statements
For the Two Years Ended, February 28, 2002 and February 28, 2001

Note 1 - Organization and Summary of Significant Accounting Policies

(A) Repro-Med Systems, Inc. was incorporated on March 24, 1980. The Company was organized to engage in the research, development, laboratory and clinical testing, production and marketing of medical devices used in the treatment of the human condition.

(B) The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses at February 28,2002 and 2001. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company's independent certified public accountants have included a modification paragraph in their report on the Company's financial statements for the year ended February 28,2002 with respect to this matter. The Company intends to raise additional financing through debt or equity to enable the Company to continue for at least one year. The Company is also working with outside distributors to increase market share in the European markets for the RES-Q-VAC, and to introduce the FREEDOM60 into the European market.

(C) Revenue is recognized when products are shipped.

(D) Costs incurred in obtaining patents have been capitalized and are being amortized over seventeen years. Costs of goodwill have been capitalized and are being amortized over thirty-five years.

(E) Furniture and equipment is stated at cost. Furniture and equipment is being depreciated over five to twelve years utilizing the straight-line method of depreciation.

(F) Inventory is valued at the lower of cost (first-in, first-out method), or market.

(G) The Financial Statements are presented in accordance with SFAS No. 128 "Earnings Per Share". Basic earnings per share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share incorporate the shares to be issued assuming exercise of warrants and options. The loss per common share does not include the conversion of outstanding options and warrants since all of the stock options and warrants outstanding are anti-dilutive.

(H) Cash and cash equivalents are comprised of certain highly liquid investments with maturities of three months or less.

(I) Use of estimates - the Financial Statements are prepared in conformity with generally accepted accounting principles and, accordingly include amounts that are based on management's best estimates and judgments. The actual results may differ from those estimates.

(J) Reclassification - certain reclassifications have been made to prior year amounts to conform to current year presentation.

(K) The carrying amounts reported in the balance sheet for cash, receivables, and accrued expenses approximate fair value based on the short-term maturity of these instruments.

(L) The Company accounts for employee stock options in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees" and has adopted the disclosure-only option under SFAS No. 123.

(M) The Company utilized the liability method of accounting for income taxes as set forth in SFAS 109, "Accounting for Income Taxes." Under the liability method, deferred taxes are determined on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences

are expected to reverse.

(N) In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" which basically further clarifies SFAS No. 121 and methods of quantifying potential impairments or disposal of assets as well as the related reporting of such impairments or disposals. The Company reviews long-lived assets, certain identifiable assets and any goodwill related to those assets for impairment. Whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. At February 28,2002, the Company believes that there has been no impairment of long-lived assets.

(O) New Accounting Developments:

In June 2001, the FASB issued SFAS No. 141, "Business Combination", SFAS No. 142, "Goodwill and Other Intangible Assets" and SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS No. 141 requires the use of the purchase method of accounting and prohibits the use of the pooling-of-interest method of accounting for business combinations initiated after June 30, 2001. It also requires that the Company recognize acquired intangible assets apart from goodwill. SFAS No. 142 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill for impairment at least annually. In addition, SFAS No. 142 requires that the Company identify reporting units for the purposes of assessing potential future impairments of goodwill, reassess the useful lives of other existing recognized intangible assets, and cease amortization of intangible assets with an indefinite useful life. SFAS No. 143 establishes accounting standards for recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost, which will be effective for financial statements issued for fiscal years beginning after June 15, 2002.

The adoption of SFAS No. 141, SFAS No. 142, SFAS No. 143 and SFAS No. 144 is not expected to have a material effect on the Company's financial position, results of operations and cash flows.

Note 2 - Inventory

Inventory Consists of:

Raw Materials	$ 315,808
Work In Process	185,474
Finished Goods	139,353
Inventory Reserve	(40,000)
Total	$ 600,635

Note 3 - Equipment and Other Assets

Equipment:	
Furniture and Equipment	$ 1,176,302
Accumulated Depreciation	(708,317)
Net Equipment	$ 467,985

Other Assets:	
Patent Costs	$ 95,551
Goodwill	14,137
Miscellaneous	802
Accumulated Amortization	(61,426)
Net Other Assets	$ 49,064

Note 4 - Line of Credit

The company had a line of credit of $200,000 for fiscal year ended February 28, 2002. At February 28, 2002, $200,000 has been advanced on the line of credit. Although the line matured on June 30,2001, during January 2002, the bank verbally extended the term of the line through June 30,2002. The President of the Company and one of the Directors guarantee such credit line.

Note 5 - Capital Lease

The Company leases certain equipment under leases accounted for as capital leases. The following is a summary of aggregate annual maturities of long-term debt and capitalized lease obligations as of February 28,2002.

Year ending February 28,	
2003	$30,676
2004	$30,676
2005	$20,820
2006	$15,892
2007	$ 5,590
Less amounts representing interest	(26,910)
	76,744
Less current portion	(21,646)
	$55,098

Note 6 - Capitalization and Certain Capital Transactions

On February 2, 1993, the Company issued and sold 10,000 shares of $.01 par value Convertible Cumulative Preferred Stock at a price of $10.00 per share. Dividends are payable semi-annually at an annual rate of $8,000 or 8% of the original sale price of $100,000. As of February 28, 2002 the Convertible Cumulative Preferred Stock can be converted to 294,117 shares of common stock at the conversion price of 38 cents per share. Dividends of $8,000 were paid through February 28,2002 and an additional $4,000 were accrued on the Balance Sheet.

On October 31, 1995, the Company purchased in a private offering 275,000 shares of common shares at a price of $0.08 per share or a total of $22,000. On September 10, 1996, the Company purchased in a private offering 2,000,000 shares of common shares at a price of $0.06 per share or a total of $120,000. The 2,275,000 shares redeemed were previously restricted in part as to their sale under "Rule 144" of the Securities and Exchange Act. The 2,000,000 shares redeemed are subject to a ten year voting agreement dated June 30, 1992 under which Mr. Andrew I. Sealfon, President and Chairman of Repro-Med, has the exclusive right to vote all the shares covered under the voting agreement. The 2,000,000 shares redeemed on September 10, 1996, while held by the Company, will be voted exclusively by Mr. Sealfon until June 30, 2002 as required by the voting trust. Treasury Stock shares may be sold at a future time or held by us for corporate use.

The Company issued 500,000 performance based stock options during the year ended February 28,2001 which were subsequently cancelled due to the termination of the employee that was issued these options. In addition, the Company also issued 400,000 shares of stock options valued at $82,000, which has been amortized for a period of twenty-four months. All unearned compensation has been amortized as of February 28,2002.

Note 7 - Related Party Transactions

The Company leased an aircraft from the President for $21,500 and $20,000 at February 28, 2002 and February 28, 2001.

The Company owes the President approximately $3,000 for repairs, in accordance with the lease agreement, for the aircraft that it leases from the President.

The Company leased office space from the President for $6,000 during the years ended February 28, 2002 and February 28, 2001.

The Company has borrowed $69,000 from the President, Andrew Sealfon, during Fiscal Year 2002 under a demand loan with an annual interest rate of 8%. The note has been approved by the Board of Director's.

Note 8 - Earnings Per Share

Basic earnings and losses per share are computed by dividing net earnings or losses by the weighted average number of shares of Common Stock and Common Stock Equivalents outstanding during the period (including 2,275,000 shares held as treasury stock). Diluted earnings and losses per share are computed by dividing net earnings or losses by the weighted average number of shares of Common Stock and Common Stock Equivalents outstanding during the period (including 2,275,000 shares held as treasury stock) as if the excercisable options were converted into common stock at the beginning of the period.

(Loss) Per Common Share

	February 2002	February 2001
Basic Per Share	($0.02)	($0.00)
Number of Shares Primary	23,504,000	23,354,000
Diluted Per Share	($0.02)	($0.00)
Number of Shares Fully Diluted	23,504,000	23,354,000

Note 9 - Income Taxes

As of February 28, 2001 Repro-Med has a net operating loss carry forward ("NOL") of approximately $1,450,000 available to offset its future income tax liabilities. The NOL has expiration dates ranging from 2002 to 2022.

Temporary differences which give rise to deferred taxes are summarized as follows:

	February 2002	February 2001
Deferred tax assets:		
Net operating loss and other carryforwards	$694,000	$540,000
Valuation Allowance	(694,000)	(540,000)
Net deferred tax assets	$ 0	$ 0

The Company has recorded a full valuation allowance to reflect the estimated amount of deferred tax assets that may not be realized due to the lack of taxable income being generated on a consistent basis.

The Company's effective income tax rate differs from the statutory Federal income tax rate as a result of the following:

	February 2002	February 2001
Tax benefit at statutory rate	($151,000)	($35,000)
Non deductible expense	14,000	31,000
State benefit, net of Federal tax effect	(17,000)	(4,000)
Change in valuation allowance on net operating loss	154,000	8,000
	$ 0	$ 0

Note 10 - Stock Option Plan

On March 1, 1995, the Board of Directors approved two incentive stock option programs for the benefit of key employees, directors, and officers of the Company. The two plans, termed the 1995 Stock Option Plan and the 1995 Stock Option Plan For Non-Employee Directors (the "Option Plans"), provide options to

purchase 5,000,000 and 500,000 shares, respectively, of Repro-Med common stock. We have filed a Registration Statement with the Securities and Exchange Commission for the Option Plans. The Option Plans expire March 1, 2005. Options granted under the 1995 Stock Option Plan to full time employees are intended as "incentive stock options" within the meaning of Section 422A of the Internal Revenue Code. On March 1, 1995, the Board of Directors voted to grant options for 3,800,000 shares under the Option Plans. In May 2000, Marion Howarth exercised 200,000 options under the plan. No other options under the plan have been exercised as of February 28, 2002. During the year ended February 28,2002, 400,000 options were granted to employees and 190,000 were granted to Director's. 100,000 to a new Director and 30,000 each to the three Director's that were members of the board for the year ended February 28,2001. The employee options vest over a period of five years beginning one year from the grant date and are exercisable until one year from the date all options have vested. The 90,000 Director's options are exercisable immediately while the 100,000 options for the new Director are exercisable in the same manner as the employee options. All options were issued at fair market value on the date the options were granted.

Stock option activity for the years ended February 28, 2001 and 2002 is summarized as follows:

1995 Stock Option Plan:

	Shares	Weighted Average Exercise Price
Outstanding at February 29, 2000 ..	2,200,000	$ .07
Granted	400,000	.21
Exercised	(200,000)	.06
Expired or cancelled		
Outstanding at February 28, 2001 ..	2,400,000	$ .09
Granted	590,000	.20
Exercised	0	
Expired or cancelled	0	
Outstanding at February 28, 2002 ..	2,990,000	$ .11

Non - Qualified Stock Options:

	Shares	Weighted Average Exercise Price
Outstanding at February 29, 2000	150,000	$ 1.00
Granted	985,000	.20
Exercised	-	-
Expired or cancelled	-	-
Outstanding at February 28, 2001	1,135,000	.30
Granted.....	-	-
Exercised	-	-
Expired or cancelled	(500,000)	-
Outstanding at February 28, 2002	635,000	$ .38

Information, at date of issuance, regarding stock option grants for the year ended February 28, 2001 and 2002:

	Shares	Weighted Average Exercise Price	Weighted Average Fair Value
Year ended February 28, 2001:			
Exercise price exceeds market price.....	-	$ -	$ -

Exercise price equals market price	1,200,000	.22	.08
Exercise price is less than market price	185,000	.10	.18

Year ended February 28, 2002:

Exercise price exceeds market price.....	-	$ -	$ -
Exercise price equals market price	590,000	.20	.13
Exercise price is less than market price	-	-	-

For disclosure purposes in accordance with SFAS No. 123, the fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for stock options granted during the year ended February 28, 2002 and 2001: annual dividends of $0.00, expected volatility of 97% at February 28, 2002 and 2001, risk-free interest rate of 5.75% and expected life of three years for all grants.

If the Company recognized compensation cost for the vested portion of the employee stock option plan in accordance with SFAS No. 123, the Company's pro-forma net (loss) and income per share for the years ended February 28, 2002 and 2001, would have been approximately, ($469,124) and ($.02), ($120,457) and $.01, respectively.

The non-qualified stock options outstanding are partially vested. The compensation expense attributed to the issuance of these stock options has been amortized and expensed over 24 months. These stock options are exercisable for three years from the grant date. The employee stock option plan stock options are exercisable for ten years from the grant date and vest over three years. As of February 28, 2002 and 2001, and 2,200,000, respectively, of these stock options were vested or earned.

The following table summarizes information about warrants outstanding and exercisable at February 28, 2002:

	Outstanding		
Range of exercise prices	Shares	Weighted-average remaining life in years	Weighted-average exercise price
$ .01 to $ .10	2,185,000	2.87	$ .06
$ .11 to $ .50	1,315,000	3.48	.22
$ .61 to $1.00	50,000	1.00	.80
$1.01 to $3.00	75,000	1.00	1.30
	3,625,000		

Note 11 - Sale-Leaseback Transaction - Operating Lease

On February 25, 1999, the company entered into a sale-leaseback arrangement. Under the arrangement, the company sold its land and building at 24 Carpenter Road, in Chester, New York and leased it back for a period of 20 Years. The leaseback has been accounted for as an operating lease. The gain of $449,617 realized in this transaction has been deferred and will be amortized to income in proportion to rental expense over the term of the lease.

At February 28, 2002 the future minimum rental payments are:

Year	Minimum rental payments
2003	$ 120,000
2004	120,000
2005	120,000
2006	120,000
2007	120,000
thereafter	$1,565,000
Total	$2,165,000

Note 12 - Major Customer

In the year ended February 28, 2002 there was one customer that accounted for 16% of the total sales. Historically, the Company used these OEM sales profits to fund internal product development that resulted in the RES-Q-VAC and FREEDOM60. While the Company still entertains, from time to time, various contract manufacturing, the Company is transitioning from these contracts to building and selling its own proprietary products due to the much improved margins associated with directly marketed devices.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

PART III

Item 9. Directors and Executive Officers, Promoters and Control Persons: Compliance With Section 16(a) of the Exchange Act

The following table sets forth-certain information with respect to the Executive Officers and Directors:

Name	Age	Position/Held Since
Andrew I. Sealfon	56	President 1980, Treasurer 1983, Chairman 1989, Director 1980 CEO 1986
Paul Mark Baker	52	Director 1991
Nathan Blumberg	67	Director 2000
Joseph Rosen	52	Director 2001
Remo Spagnoli	73	Director 1993
Joseph Drohan	49	Director 2002
David Florman	49	Director 2002

Mr. Sealfon is deemed a "parent" and "promoter" as those terms are defined under the Securities Act of 1933 as amended.

All directors hold office until the next annual meeting of shareholders or until their successors are elected. Executive Officers hold office at the discretion of the Board of Directors.

Mr. Sealfon co-founded Repro-Med Systems, Inc. in 1980. He is an electrical engineer and inventor and has been granted numerous United States patents. Mr. Sealfon is a graduate of Lafayette College.

Dr. Baker earned a medical degree from Cornell University Medical College. He is a practicing pediatrician and is attending at Department of Pediatrics Horton Memorial Hospital, Middletown, NY and attending at New York Hospital-Cornell Medical Center in New York City. Dr. Baker assisted us in the development of the RES-Q-VAC Suction System. In addition, Dr. Baker has published results of use of the RES-Q-VAC in a letter to Lancet, a medical journal.

Dr. Blumberg was a practicing urologist in the New York area, and has founded and sold an IV business to 3M. He teaches medicine at Stony Brook University on Long Island, and now consults for various medical companies. He makes available a wealth of medical and business acumen to the Company.

Mr. Rosen is a principal of Kuala Medical, a public health care company which services the nursing, home care and infusion markets. Mr. Rosen has extensive experience in the management and operation of medical companies as well as real estate interests.

Mr. Spagnoli is a principal founder and past President and Chairman of CRS, Inc., Newburgh, NY, a manufacturer of proprietary inventory control and point of sale software and distributor of computer equipment. Mr. Spagnoli presently consults for CRS, Inc.

Mr. Drohan is the President and Co-Founder of Healthwave, Inc. , healthcare technology and services company, located in Long Island, New York. He held several positions with the North Shore Long Island Jewish Health System and has been a Director for various health organizations.

Mr. Florman is currently employed by Empire Blue Cross Blue Shield of New York as the Senior Vice President of Medical Delivery and Medicare Risk. He has held various positions with Aetna US Healthcare, Inc. as well.

Item 10. Executive Compensation

Andrew I. Sealfon, President, received $129,750 in salary from Repro-Med during the fiscal year ended February 28, 2002. Mr. Sealfon has been granted incentive stock options in Repro-Med under its 1995 Stock Option Plan.

The officers are reimbursed for travel and other expenses incurred on behalf of Repro-Med Systems, Inc. We do not have pension or profit sharing plans.

Summary Compensation

Name & Position	Year	Salary	Other *
Andrew I. Sealfon, President	2002	$129,750	$ 6,000
	2001	$129,750	$ 6,000
	2000	$129,750	$ 8,949

*Other compensation includes car allowance and $6,000 for rental of lab facilities ($2,500 was accrued at year-end).

Table of aggregated options exercised in the fiscal year and option values at year-end February 2002:

Name of Individual	Shares Acquired On Exercise	Value Realized	Number of Unexercised Options at Year-end Exercisable / Unexercisable	Value of Unexercised In-the-Money Options at Year-end Exercisable/ Unexercisable
A. I. Sealfon				
Exercisable	0	0	1,500,000	$ 99,000
Unexercisable	0	0	0	$ 0

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of February 2002, the number of shares of Common Stock beneficially owned by each person owning more than 5% of the outstanding shares, by each officer and director, and by all officers and directors as a group:

Name of Principal Shareholders and Identity of Group	Number of Shares Owned	Percent of Class	Notes:
Andrew I. Sealfon*	10,538,750	45%	1,2,6
Dr. Paul Mark Baker	1,284,000	5%	6
Dr. Nathan Blumberg	180,000	0%	5,6
Joseph Rosen	100,000	0%	6

Remo Spagnoli	1,125,950	5%	3,4,6
Repro-Med Systems, Inc	2,275,000	10%	7
All Directors and Officers as a Group (4 Persons)	15,503,700	66%	

*Andrew I. Sealfon is deemed a "parent" and a "promoter" of Repro-Med Systems, Inc. as those terms are defined under the Securities Act of 1933, as amended.

(1) Does not include 690,000 shares of common stock owned by members of Mr. Sealfon's family, as to which Mr. Sealfon disclaims beneficial ownership.

(2) Under the terms of a voting agreement dated June 30, 1992, Messrs. Sealfon and Zorgniotti agreed to vote their shares jointly when voting as stockholders. This agreement which is in effect for 10 years represents 3,571,500 shares previously owned by the Estate of A. Zorgniotti. In 1996, 2,000,000 shares were purchased by Repro-Med Systems, Inc., January 1997, 1,571,500 were purchased in a private transaction by a number of individual investors including at that time an officer and three directors of Repro-Med. This same group purchased 400,000 shares from the estate of A. Zorgniotti in May 1998. These transactions were subject to the voting agreement and results in 3,971,500 shares being classified as owned by Mr. Sealfon.

(3) Includes 477,000 shares of Common Stock owned by six members of Mr. Spagnoli's family.

(4) Mr. Spagnoli directly owns 10,000 shares of Repro-Med Convertible 8% Preferred Stock. In fiscal 2002, Mr. Spagnoli received $8,000 in preferred stock dividends and an additional $4,000 has been accrued on the balance sheet. The preferred stock can be redeemed for 294,117 shares of Repro-Med common stock at $0.38 per share. Consequently, 294,117 shares are deemed beneficially owned by Mr. Spagnoli and included above.

(5) Dr. Blumberg was issued 50,000 shares through an agreement between Princeton Research and Repro-Med Systems, Inc., which called for a total issue of 250,000 shares of stock in exchange for services rendered.

(6) On March 1, 1995, the Board of Directors approved two incentive stock option programs for the benefit of key employees, directors, and officers of Repro-Med Systems, Inc. The two plans, termed the 1995 Stock Option Plan and the 1995 Stock Option Plan For Non-Employee Directors (the "Option Plans"), provide options to purchase 5,000,000 and 500,000 shares, respectively, of Repro-Med common stock. We have filed a Registration Statement with the Securities and Exchange Commission for the Option Plans. The Option Plans expire March 1, 2005. Options granted under the 1995 Stock Option Plan to full time employees and are intended as "incentive stock options" within the meaning of Section 422A of the Internal Revenue Code. On March 1, 1995, the Board of Directors granted options for 3,800,000 shares. On August 28, 1998 the option price was reduced from $.15 to $.06 per share. The option price of $.06 per share was not less than the fair market value of the common stock on the date the price was reduced. The option price of $.066 cents per share was not less than 110% of the fair market value of the common stock on the date the price was reduced. As of May 2002, the only options exercised under the plan were 200,000 options for Marion Howarth. (exercised May 2000). 100,000 options are awarded to each Director upon signing on as a Director. 30,000 options were issued to Dr. Blumberg, Dr. Baker and Ray Spagnoli for their efforts during the fiscal year ended February 28,2001.

(7) Treasury stock acquired by Repro-Med Systems, Inc. total cost as reflected on balance sheet for 2,275,000 shares of Common Stock is $142,000.

Name	Main Position	No. Shares & Price Per Share	Earliest Date of Exercise
Sealfon, A.	President	$0.066	1,500,000, 3/1/95
Baker, M.	Clinical Consultant	$0.060	300,000, 3/1/95
		$0.250	30,000, 5/9/01

1995 Stock Option Plan for Non-Employee Directors:

Spagnoli, R.	Director	$0.060	20,000, 3/1/96
			20,000, 3/1/97
			20,000, 3/1/98
			20,000, 3/1/99
			20,000, 3/1/00
		$0.250	30,000, 5/9/01
Blumberg N	Director	$0.230	20,000, 8/1/01
			20,000, 8/1/02
			20,000, 8/1/03
			20,000, 8/1/04
			20,000, 8/1/05
		$0.250	30,000 5/9/01
Rosen J.	Director	$0.180	20,000, 5/9/02
			20,000, 5/9/03
			20,000, 5/9/04
			20,000, 5/9/05
			20,000, 5/9/06

The above calculations give effect to purchase of shares exercisable under the terms of the Option Plans on these issued options by each officer and director, and by all officers and directors as a group.

Item 12. Certain Relationships and Related Transactions

To reduce corporate travel expenses, we maintain and operate a corporate aircraft. Since 1992, the aircraft has been leased from AMI Aviation. Mr. Sealfon is a majority shareholder in AMI Aviation. The lease expenses paid in 2002 were $21,500 versus $20,0500 paid in 2001. We believe the AMI lease is on terms competitive with those that could be obtained from unaffiliated third parties. As of February 28,2002, the Company owes AMI Aviation approximately $3,000 for repairs made to the aircraft during the year (in accordance with the lease agreement).

During 2002, the Company borrowed $69,000 from the President, Andrew Sealfon, under a demand loan with an annual interest rate of 8%. The note has been approved by the Board of Director's.

Messrs. Sealfon and Zorgniotti entered into a ten year voting agreement June 30, 1992 pursuant to which they agreed on their behalf and on behalf of their successors in interest to vote all the shares over which they then had voting control when voting for the election of directors (or as directors when filling vacancies in the board) for persons designated jointly by them with one half or a majority (if there are an odd number of directors) of the designees to be named by Mr. Sealfon and the remainder by Dr. Zorgniotti. The voting agreement further provides for either of them to designate all directors or to determine how all of the shares shall be voted on other matters requiring the approval of stockholders, in the event of the death of the other. Dr. Zorgniotti died July 7, 1994; therefore Mr. Sealfon has the exclusive right to vote all the shares covered under the voting agreement.

PART IV

Item 13. Exhibits and Reports on Form 8-K

(a) Exhibits

(3) Articles of Incorporation and By-Laws:

3(a) Articles of Incorporation(1)

3(b) By-Laws(2)

(10) Material Contracts:

10(c) Voting Agreement for Repro-Med Systems, Inc. Common Stock between Andrew I. Sealfon and Dr. Adrian Zorgniotti(3)

10(e) 1995 Stock Option Plan(5)

10(f) 1995 Stock Option Plan for Non-Employee Directors(5)

10(h) Sales Representative Agreement(7)

10(i) Termination Agreement(7)

(21) Subsidiary of Registrant:

NONE

(b) Reports on Form 8-K:

No reports on Form 8-K have been filed by the Registrant during the last fiscal year the period covered by this report.

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(1) Incorporated by reference from the Registration and Offering Statement of Repro-Med Systems, Inc., dated November 12, 1982.

(2) Incorporated by reference from the Form 10-KSB Report of Repro-Med Systems, Inc., dated February 28, 1987.

(3) Incorporated by reference from Form 10-KSB Report of Repro-Med Systems, Inc., dated February 29, 1993.

(5) Incorporated by reference from Form 10-KSB Report of Repro-Med Systems, Inc., dated February 28, 1995.

(6) Incorporated by reference from Form 10-QSB Report of Repro-Med Systems, Inc., dated November 30, 1998.

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
Andrew I. Sealfon, President
Dated: June 12, 2002

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/ Andrew I. Sealfon June 12, 2002
- ----------
Andrew I. Sealfon, President,
Treasurer, Chairman of the Board,
Director, and Chief Executive
Officer, Chief Financial Officer

/s/ Dr. Nathan Blumberg June 12, 2002
- ----------
Dr. Nathan Blumberg, Director

/s/ Dr. Paul Mark Baker June 12, 2002
- ----------
Dr. Paul Mark Baker, Director

/s/ Remo Spagnoli June 12, 2002
- ----------
Remo Spagnoli, Director

/s/ Joseph Rosen June 12, 2002

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Joseph Rosen, Director