

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2002, OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 0-10235

GENTEX CORPORATION

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation or organization)

38-2030505

(I.R.S. Employer Identification No.)

600 N. CENTENNIAL, ZEELAND, MICHIGAN
(Address of principal executive offices)

49464
(Zip Code)

(616) 772-1800

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No
----- -----

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No
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APPLICABLE ONLY TO CORPORATE USERS:

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

Class	Shares Outstanding at July 18, 2002
-----	-----
Common Stock, \$0.06 Par Value	75,818,143

Exhibit Index located at page 10

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GENTEX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

At June 30, 2002 and December 31, 2001

	ASSETS	
	June 30, 2002	December 31, 2001
	-----	-----
CURRENT ASSETS		
Cash and cash equivalents	\$157,517,861	\$139,784,721
Short-term investments	53,365,644	65,859,016
Accounts receivable, net	39,916,700	31,994,939
Inventories	15,049,237	14,405,350
Prepaid expenses and other	6,281,425	7,814,468
	-----	-----
Total current assets	272,130,867	259,858,494
PLANT AND EQUIPMENT - NET	121,754,886	110,862,310
OTHER ASSETS		
Long-term investments	158,830,300	132,771,234
Patents and other assets, net	3,881,428	3,330,760
	-----	-----
Total other assets	162,711,728	136,101,994
	-----	-----
Total assets	\$556,597,481	\$506,822,798
	=====	=====
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES		
Accounts payable	\$13,862,227	\$9,378,937
Accrued liabilities	14,749,249	11,606,467
	-----	-----
Total current liabilities	28,611,476	20,985,404
DEFERRED INCOME TAXES	5,161,994	6,836,865
SHAREHOLDERS' INVESTMENT		
Common stock	4,549,089	4,510,317
Additional paid-in capital	116,202,636	105,327,971
Other shareholders' investment	402,072,286	369,162,241
	-----	-----
Total shareholders' investment	522,824,011	479,000,529
	-----	-----
Total liabilities and shareholders' investment	\$556,597,481	\$506,822,798
	=====	=====

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	2002 ----	2001 ----	2002 ----	2001 ----
NET SALES	\$97,346,344	\$77,074,568	\$186,394,812	\$156,471,374
COST OF GOODS SOLD	58,280,926	46,710,921	112,138,732	94,382,078
Gross profit	39,065,418	30,363,647	74,256,080	62,089,296
OPERATING EXPENSES:				
Research and development	5,623,863	5,325,034	11,209,603	10,225,844
Selling, general & administrative	5,243,953	4,780,327	10,284,298	9,704,414
Total operating expenses	10,867,816	10,105,361	21,493,901	19,930,258
Income from operations	28,197,602	20,258,286	52,762,179	42,159,038
OTHER INCOME:				
Interest and dividend income	2,915,457	3,253,200	5,676,305	6,907,776
Other, net	460,708	483,338	1,215,009	487,970
Total other income	3,376,165	3,736,538	6,891,314	7,395,746
Income before provision for income taxes	31,573,767	23,994,824	59,653,493	49,554,784
PROVISION FOR INCOME TAXES	10,263,000	7,799,000	19,389,500	16,106,000
NET INCOME	\$21,310,767	\$16,195,824	\$40,263,993	\$33,448,784
Earnings Per Share:				
Basic	\$0.28	\$0.22	\$0.53	\$0.45
Diluted	\$0.28	\$0.21	\$0.53	\$0.44
Weighted Average Shares:				
Basic	75,685,015	74,677,817	75,494,641	74,521,573
Diluted	76,619,056	75,865,525	76,482,761	75,701,341

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2002 and 2001

	2002	2001
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$40,263,993	\$33,448,784
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	9,239,381	7,599,259
(Gain) loss on disposal of equipment	11,180	155,797
Deferred income taxes	2,008,634	239,088
Amortization of deferred compensation	581,818	454,873
Change in operating assets and liabilities:		
Accounts receivable, net	(7,921,761)	4,971,858
Inventories	(643,887)	527,177
Prepaid expenses and other	1,879,434	(2,525,072)
Accounts payable	4,483,290	223,400
Accrued liabilities	3,142,782	1,134,712
	-----	-----
Net cash provided by operating activities	53,044,864	46,229,876
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in short-term investments	12,493,372	(6,893,480)
Plant and equipment additions	(20,235,959)	(29,069,936)
Proceeds from sale of plant and equipment	189,926	1,241,285
(Increase) decrease in long-term investments	(37,573,053)	4,977,167
(Increase) decrease in other assets	(597,096)	(521,539)
	-----	-----
Net cash used for investing activities	(45,722,810)	(30,266,503)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and tax benefit of stock plan transactions	10,411,086	7,244,055
	-----	-----
Net cash provided by financing activities	10,411,086	7,244,055
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,733,140	23,207,428
CASH AND CASH EQUIVALENTS, beginning of period	139,784,721	110,195,583
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$157,517,861	\$133,403,011
	=====	=====

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (1) The condensed consolidated financial statements included herein have been prepared by the Registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Registrant's 2001 annual report on Form 10-K.
- (2) In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only a normal and recurring nature, necessary to present fairly the financial position of the Registrant as of June 30, 2002, and December 31, 2001, and the results of operations and cash flows for the interim periods presented.
- (3) Inventories consisted of the following at the respective balance sheet dates:

	June 30, 2002 -----	December 31, 2001 -----
Raw materials	\$ 7,501,534	\$ 8,376,321
Work-in-process	1,869,728	1,649,389
Finished goods	5,677,975	4,379,640
	-----	-----
	\$ 15,049,237	\$ 14,405,350
	=====	=====

- (4) Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For the Company, comprehensive income represents net income adjusted for items such as unrealized gains and losses on certain investments and foreign currency translation adjustments. Comprehensive income was as follows:

	June 30, 2002 -----	June 30, 2001 -----
Quarter Ended	\$14,494,227	\$18,237,099
Six Months Ended	32,830,578	33,000,485

- (5) The increase in common stock and additional paid-in capital during the quarter and six months ended June 30, 2002, is attributable to the issuance of 284,066 and 646,192 shares, respectively, of the Company's common stock under its stock-based compensation plans.
- (6) The Company currently manufactures electro-optic products, including automatic-dimming rearview mirrors for the automotive industry and fire protection products for the commercial building industry:

	Quarter Ended June 30, -----		Six Months Ended June 30, -----	
	2002 ----	2001 ----	2002 ----	2001 ----
Revenue:				
Automotive Products	\$91,566,416	\$71,413,728	\$175,459,835	\$145,532,925
Fire Protection Products	5,779,928	5,660,840	10,934,977	10,938,449
	-----	-----	-----	-----
Total	\$97,346,344	\$77,074,568	\$186,394,812	\$156,471,374
	=====	=====	=====	=====
Operating Income:				
Automotive Products	\$27,141,179	\$18,936,770	\$ 50,692,070	\$ 39,943,740
Fire Protection Products	1,056,423	1,321,516	2,070,109	2,215,298
	-----	-----	-----	-----
Total	\$28,197,602	\$20,258,286	\$ 52,762,179	\$ 42,159,038
	=====	=====	=====	=====

GENTEX CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS:

SECOND QUARTER 2002 VERSUS SECOND QUARTER 2001

Net Sales. Net sales for the second quarter of 2002 increased by approximately \$20,272,000, or 26%, when compared with the second quarter last year. Net sales of the Company's automotive mirrors increased by \$20,153,000, or 28%, as automatic-dimming mirror unit shipments increased by 29% from approximately 1,753,000 in the second quarter of 2001 to 2,265,000 in the current quarter. This increase reflected the increased penetration of interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors on 2002 mid-sized and some early 2003 model year vehicles. Shipments to customers in North America increased by 25%, primarily due to increased penetration and higher North American automotive production levels. Mirror unit shipments to automotive customers outside North America increased by 35% compared with the second quarter in 2001, primarily due to increased interior and exterior mirror sub-assembly shipments to European and Asian-Pacific automakers. Net sales of the Company's fire protection products increased 2%, primarily due to higher sales of certain of the Company's signaling products.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold decreased from 61% in the second quarter of 2001 to 60% in the second quarter of 2002. This decreased percentage primarily reflected the higher sales level leveraged over the fixed overhead costs.

Operating Expenses. Research and development expenses increased approximately \$299,000, but decreased from 7% to 6% of net sales, when compared with the same quarter last year, primarily reflecting additional staffing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$464,000, but decreased from 6% to 5% of net sales, when compared with the second quarter of 2001. This increased expense primarily reflected the continued expansion of the Company's overseas sales and engineering offices, including the opening of an office in Korea.

Other Income - Net. Other income decreased by approximately \$360,000 when compared with the second quarter of 2001, primarily due to declining interest rates on investments.

SIX MONTHS ENDED JUNE 30, 2002, VERSUS SIX MONTHS ENDED JUNE 30, 2001

Net Sales. Net sales for the six months ended June 30, 2002, increased by approximately \$29,923,000, or 19%, when compared with the same period last year. Automatic-dimming mirror unit shipments increased by 20% from approximately 3,603,000 in the first six months of 2001 to 4,321,000 in the first six months of 2002. This increase reflected the increased penetration on 2002 mid-sized and some early 2003 model year vehicles for interior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America increased by 20%, primarily due to increased penetration and higher North American automotive production levels. Mirror unit shipments to automotive customers outside North America increased by 19% compared with the first six months in 2001, primarily due to increased interior and exterior mirror sub-assembly shipments to European and Asian-Pacific automakers. Net sales of the Company's fire protection products were flat.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold remained unchanged at 60% in the first six months of 2002. This unchanged percentage primarily reflected customer price reductions, offset by the higher sales level leveraged over the fixed overhead costs.

Operating Expenses. For the six months ended June 30, 2002, research and development expenses increased approximately \$984,000, but decreased from 7% to 6% of net sales, when compared with the same period last year, primarily reflecting additional staffing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$580,000, but remained at 6% of net sales, when compared with the first six months of 2001. This increased expense primarily reflected the continued expansion of the Company's overseas sales and engineering offices to support future growth opportunities.

SIX MONTHS ENDED JUNE 30, 2002, VERSUS SIX MONTHS ENDED JUNE 30, 2001
(CONT.)

Other Income - Net. Other income for the six months ended June 30, 2002, decreased by approximately \$504,000 when compared with the first six months of 2001, primarily due to declining interest rates on investments, partially offset by realized gains from sales of equity investments.

FINANCIAL CONDITION:

Management considers the Company's working capital and long-term investments totaling approximately \$402,350,000 at June 30, 2002, together with internally generated cash flow and an unsecured \$5,000,000 line of credit from a bank, to be sufficient to cover anticipated cash needs for the current year and the foreseeable future.

TRENDS AND DEVELOPMENTS:

The Company is subject to market risk exposures of varying correlations and volatilities, including foreign exchange rate risk, interest rate risk and equity price risk. There were no significant changes in the market risks reported in the Company's 2001 10-K report during the quarter ended June 30, 2002.

The Company has some assets, liabilities and operations outside the United States, which currently are not significant. Because the Company sells its automotive mirrors throughout the world, it could be significantly affected by weak economic conditions in worldwide markets that could reduce demand for its products.

In addition to price reductions over the life of its long-term agreements, the Company continues to experience pricing pressures from its automotive customers, which have affected, and which will continue to affect, its margins to the extent that the Company is unable to offset the price reductions with productivity improvements, engineering and purchasing cost reductions, and increases in unit sales volume. In addition, the Company continues to experience from time to time some pressure for select raw material cost increases.

The Company currently supplies NVS(R) Mirrors to DaimlerChrysler AG and General Motors Corporation under long-term agreements. The long-term supply agreement with DaimlerChrysler AG runs through the 2003 Model Year, while the GM contract is through the 2004 Model Year for inside mirrors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this item is provided under the caption "Trends and Developments" under Item 2 -- Management's Discussion and Analysis of Results of Operations and Financial Condition.

Statements in this Quarterly Report on Form 10-Q which express "belief", "anticipation" or "expectation" as well as other statements which are not historical fact, are forward-looking statements and involve risks and uncertainties described under the headings "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Trends and Developments" that could cause actual results to differ materially from those projected. All forward-looking statements in this Report are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements.

PART II. OTHER INFORMATION

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

The annual meeting of the shareholders of the Company was held on May 9, 2002, at which:

- (a) The following nominees were elected to serve three-year terms on the Company's Board of Directors by the following votes.

	Arlyn Lanting -----	Kenneth La Grand -----	Ted Thompson -----
For	65,393,429	54,546,803	64,486,896
Against	-	-	-
Withheld	386,738	11,233,364	1,293,271
Broker Non-Votes	-	-	-

The terms of office for incumbent Directors Fred Bauer, Mickey Fouts, John Mulder, Fred Sotok and Leo Weber, continued after the meeting.

- (b) A proposal to approve the Gentex 2002 Non-Employee Director Stock Option Plan was approved by the following vote:

For	62,728,850
Against	4,077,960
Abstain	426,521
Broker Non-Votes	-

Item 6. Exhibits and Reports on Form 8-K

- (a) See Exhibit Index on Page 10.
- (b) No reports on Form 8-K were filed during the three months ended June 30, 2002.

SIGNATURES

Pursuant to the requirements 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.

GENTEX CORPORATION

Date: 7/30/02

/s/ Fred T. Bauer

Fred T. Bauer
Chairman and Chief
Executive Officer

Date: 7/30/02

/s/ Enoch C. Jen

Enoch C. Jen
Vice President - Finance,
Principal Financial and
Accounting Officer

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
3(a)(1)	Registrant's Articles of Incorporation were filed in 1981 as Exhibit 2(a) to a Registration Statement on Form S-18 (Registration No. 2-74226C), an Amendment to those Articles was filed as Exhibit 3 to Registrant's Report on Form 10-Q in August of 1985, an additional Amendment to those Articles was filed as Exhibit 3(a)(1) to Registrant's Report on Form 10-Q in August of 1987, an additional Amendment to those Articles was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-K dated March 10, 1992, an Amendment to Articles of Incorporation, adopted on May 9, 1996, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 31, 1996, and an Amendment to Articles of Incorporation, adopted on May 21, 1998, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 30, 1998, all of which are hereby incorporated herein by reference.	
3(b)(1)	Registrant's Bylaws as amended and restated August 18, 2000. were filed on Exhibit 3(b)(1) to Registrant's Report on Form 10-Q dated October 27, 2000, and the same is hereby incorporated herein by reference.	
4(a)	A specimen form of certificate for the Registrant's common stock, par value \$.06 per share, was filed as part of a Registration Statement on Form S-18 (Registration No. 2-74226C) as Exhibit 3(a), as amended by Amendment No. 3 to such Registration Statement, and the same is hereby incorporated herein by reference.	
4(b)	Amended and Restated Shareholder Protection Rights Agreement, dated as of March 29, 2001, including as Exhibit A the form of Certificate of Adoption of Resolution Establishing Series of Shares of Junior Participating Preferred Stock of the Company, and as Exhibit B the form of Rights Certificate and of Election to Exercise, was filed as Exhibit 4(b) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.	
10(a)(1)	A Lease dated August 15, 1981, was filed as part of a Registration Statement (Registration Number 2-74226C) as Exhibit 9(a)(1), and the same is hereby incorporated herein by reference.	
10(a)(2)	A First Amendment to Lease dated June 28, 1985, was filed as Exhibit 10(m) to Registrant's Report on Form 10-K dated March 18, 1986, and the same is hereby incorporated herein by reference.	
*10(b)(1)	Gentex Corporation Qualified Stock Option Plan (as amended and restated, effective August 25, 1997) was filed as Exhibit 10(b)(1) to Registrant's Report on Form 10-Q, and the same is hereby incorporated herein by reference.	
*10(b)(2)	Gentex Corporation Second Restricted Stock Plan was filed as Exhibit 10(b)(2) to Registrant's Report on Form 10-Q dated April 27, 2001, and the same is hereby incorporated herein by reference.	
*10(b)(3)	Gentex Corporation Non-Employee Director Stock Option Plan (adopted March 6, 2002), was filed as Exhibit 10(b)(4) to Registrant's Report on Form 10-Q dated April 30, 2002, and the same is incorporated herein by reference.	
10(e)	The form of Indemnity Agreement between Registrant and each of the Registrant's directors was filed as a part of a Registration Statement on Form S-2 (Registration No. 33-30353) as Exhibit 10(k) and the same is hereby incorporated herein by reference.	

*Indicates a compensatory plan or arrangement.