

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Microwave Filter Company, Inc.

6743 Kinne Street, East Syracuse, New York 13057

(315) 438-4700

www.microwavefilter.com

dick-j@microwavefilter.com

3663

Quarterly Report

For the period ending June 30, 2024

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,575,824 as of June 30, 2024

2,576,166 as of September 30, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Microwave Filter Company, Inc.

Current State and Date of Incorporation or Registration: New York, 1967

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

6743 Kinne Street, East Syracuse, NY 13057

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Microwave Filter Company, Inc.

Phone: 315-438-4758

Email: dick-j@microwavefilter.com

Address: 6743 Kinne Street, East Syracuse, New York 13057

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: mfco
Exact title and class of securities outstanding: common
CUSIP: 595176108
Par or stated value: \$.10
Total shares authorized: 5,000,000 as of date: 6/30/2024
Total shares outstanding: 2,575,824 as of date: 6/30/2024
Total number of shareholders of record: 432 as of date: 6/30/2024

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____
Total number of shareholders of record: _____ as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

_____ dividends when approved by board, 1 vote per share, no preemption rights _____

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

_____ None _____

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding Opening Balance:			*Right-click the rows below and select "Insert" to add rows as needed.						
Date	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)							
<u>9/30/2022</u>	Common: <u>2,577,512</u> Preferred: _____								
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>8/15/2023</u>	<u>Returned to treasury</u>	<u>1346</u>	<u>common</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>unrestricted</u>	<u>n/a</u>
<u>2/22/2024</u>	<u>Returned to treasury</u>	<u>171</u>	<u>common</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>unrestricted</u>	<u>n/a</u>
<u>4/26/2024</u>	<u>Returned to treasury</u>	<u>171</u>	<u>common</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>unrestricted</u>	<u>n/a</u>
Shares Outstanding on Date of This Report:									
	Ending Balance:								
Date <u>6/30/2024</u>	Common: <u>2,575,824</u>								

Preferred: _____

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Established in 1967 in East Syracuse, New York, MFC occupies a modern 40,000 square foot facility with an impressive complement of analytical and design software, test instrumentation, prototype and manufacturing equipment to create passive filters, components and sub systems in the frequency range of 10 MHz to 50 GHz. MFC manufactures radio frequency (RF) filters and related components for eliminating interference and facilitating

signal processes for such markets as Cable Television, Broadcast, Commercial and Military Communications, Avionics, Radar, Navigation and Defense. The Company designs waveguide, stripline/microstrip, transmission line, miniature/subminiature and lumped constant filters. Configurations include bandpass, highpass, lowpass, bandstop, multiplexers, tunable notch, tunable bandpass, high power filters, amplitude equalized, delay equalized and filter networks. The Company actively produces over 1,700 standard products and has designed more than 5,000 custom products for specialized applications.

The manufacturing facility includes a modern CAD system, a test department with automated network analyzers to 50 GHz, a high capacity conveyor soldering oven and a fully compliant finishing operation. The Company's Quality Management System has been ISO 9001:2015 recognizing the Company as a quality vendor. Efficient Computer simulation, design and analysis software enhanced by proprietary MFC developed software, allow rapid and accurate filter development at reasonable cost. Automated network analyzers provide rigorous product testing and performance data storage on a serial number basis in most cases.

A network based CAD system allows the transfer of data and programs to the CNC turning and milling centers for fabrication of machined parts. Prototype PC boards are similarly produced by computer controlled PC board mills. A Grieve high capacity conveyor soldering oven is used for production of large quantity assemblies while smaller production quantities are assembled at hand soldering or brazing stations.

- B. List any subsidiaries, parent company, or affiliated companies.

Niagara Scientific, Inc. - Wholly owned subsidiary

- C. Describe the issuers' principal products or services.

MFC manufactures radio frequency (RF) filters and related components for eliminating interference and facilitating signal processing for such markets as Cable Television, Broadcast, Commercial and Military Communications, Avionics, Radar, Navigation and Defense. The Company designs waveguide, stripline/microstrip, transmission line, miniature/subminiature and lumped constant filters. Configurations include bandpass, highpass, lowpass, bandstop, multiplexers, tunable notch, tunable bandpass, high power filters, amplitude equalized, delay equalized and filter networks. The Company actively produces over 1,700 standard products and has designed more than 5,000 custom products for specialized applications.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual

representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Carl Fahrenkrug Jr	Chief Executive Officer, Director	Manlius, NY	23,586	Common	Less than 1%	
Richard Jones	Chief Financial Officer	Fayetteville, NY	0			
Sam Fanizzi	Vice President Marketing	North Syracuse, NY	0			
Robert Paul	Vice President Engineering	Syracuse, NY	0			
Daniel Herrmann	Director	Marcy, NY	0			
Carl Fahrenkrug Sr	Director	Manlius, NY	72,298	Common	2.8%	
Sidney Chong	Director	Syracuse, NY	0			
Kevin Fallis	Director	Dewitt, NY	0			
John Kennedy	Chairman of the Board	Syracuse, NY	2000	Common	Less than 1%	
Thomas Quartier	Director	Syracuse, NY	0			
Irene Scruton	Director	Syracuse, NY	0			
Anne Tindall	Director	Syracuse, NY	0			

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: James Gascon
Firm: Costello & Fearon, PLLC
Address 1: 211 West Jefferson Street
Address 2: Syracuse, New York 13202
Phone: 315-422-1152
Email: jjg@ccf-law.com

Accountant or Auditor

Name: Victor Vaccaro
Firm: Dannible & McKee, LLP
Address 1: 221 South Warren Street
Address 2: Syracuse, New York 13202
Phone: 315-472-9127
Email: vvaccaro@dmpas.com

Investor Relations

Name: Richard Jones
Firm: Microwave Filter Company, Inc.
Address 1: 6743 Kinne Street
Address 2: East Syracuse, New York 13057
Phone: 315-438-4758
Email: dick-j@microwavefilter.com

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Carl Fahrenkrug
Title: Chief Executive Officer
Relationship to Issuer: Chief Executive Officer

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Richard Jones
Title: Chief Financial Officer
Relationship to Issuer: Chief Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements: **Accountant, 40+
year experience**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

MICROWAVE FILTER COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2024

MICROWAVE FILTER COMPANY, INC.
AND SUBSIDIARIES
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MICROWAVE FILTER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>AT 6/30/2024</u>	<u>AT 9/30/2023</u>
	\$	\$
ASSETS		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	752,063	920,921
ACCOUNTS RECEIVABLE	376,510	495,212
INVENTORIES AND WORK IN PROCESS	203,156	196,531
PREPAID EXPENSES & OTHER CURRENT ASSETS	53,904	74,885
TOTAL CURRENT ASSETS	<u>1,385,633</u>	<u>1,687,549</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,009,602	3,009,602
LESS: ACCUMULATED DEPRECIATION	<u>(2,340,765)</u>	<u>(2,261,774)</u>
NET PROPERTY, PLANT AND EQUIPMENT	668,837	747,828
RIGHT-OF-USE LEASE ASSET	<u>12,879</u>	<u>16,326</u>
TOTAL ASSETS	<u><u>2,067,349</u></u>	<u><u>2,451,703</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	118,985	140,658
CUSTOMER DEPOSITS	54,337	36,746
CURRENT PORTION LEASE LIABILITY	2,958	2,958
ACCRUED EXPENSES	122,989	137,777
TOTAL CURRENT LIABILITIES	<u>299,269</u>	<u>318,139</u>
LEASE LIABILITY, NET OF CURRENT PORTION	<u>9,921</u>	<u>13,368</u>
TOTAL LIABILITIES	<u>309,190</u>	<u>331,507</u>
STOCKHOLDERS' EQUITY		
COMMON STOCK \$.10 PAR VALUE, AUTHORIZED 5,000,000 SHARES ISSUED 4,324,140 IN 2024 AND 2023		
OUTSTANDING 2,575,824 IN 2024 AND 2,576,166 IN 2023	432,414	432,414
ADDITIONAL PAID-IN-CAPITAL	3,248,706	3,248,706
RETAINED EARNINGS	(226,064)	135,802
COMMON STOCK IN TREASURY, AT COST, 1,748,316 SHARES IN 2024 AND 1,747,974 IN 2023	<u>(1,696,897)</u>	<u>(1,696,726)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>1,758,159</u>	<u>2,120,196</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>2,067,349</u></u>	<u><u>2,451,703</u></u>

MICROWAVE FILTER COMPANY, INC. AND SUBSIDIARIES
INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 6/30/2024 vs 6/30/2023
(UNAUDITED)

	TOTAL	TOTAL
	6/30/2024	6/30/2023
	\$	\$
	<hr/>	<hr/>
NET SALES	832,350	934,703
COST OF GOODS SOLD	525,223	637,287
GROSS PROFIT	307,127	297,416
SELLING, GEN, ADMIN EXPENSES	284,716	308,553
INCOME (LOSS) FROM OPERATIONS	22,411	(11,137)
OTHER INCOME (EXPENSE)		
MISCELLANEOUS INCOME	1,327	523
INTEREST INCOME	7,345	2,982
TOTAL OTHER INCOME (EXPENSE)	8,672	3,505
INCOME (LOSS) BEFORE TAXES	31,083	(7,632)
PROVISION (BENEFIT) FOR INCOME TAXES	-	-
NET INCOME (LOSS)	31,083	(7,632)
PER SHARE DATA:		
BASIC & DILUTED EARNINGS (LOSS) PER SHARE	0.01	-
SHARES USED	2,575,963	2,577,512

MICROWAVE FILTER COMPANY, INC. AND SUBSIDIARIES
INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 6/30/2024 vs 6/30/2023
(UNAUDITED)

	TOTAL 6/30/2024 \$	TOTAL 6/30/2023 \$
	<u> </u>	<u> </u>
NET SALES	1,948,252	2,727,528
COST OF GOODS SOLD	1,436,156	2,065,676
GROSS PROFIT	512,096	661,852
SELLING, GEN, ADMIN EXPENSES	902,204	1,033,038
LOSS FROM OPERATIONS	(390,108)	(371,186)
OTHER INCOME (EXPENSE)		
MISCELLANEOUS INCOME	3,964	3,822
INTEREST INCOME	24,328	5,299
TOTAL OTHER INCOME (EXPENSE)	28,292	9,121
LOSS BEFORE TAXES	(361,816)	(362,065)
PROVISION (BENEFIT) FOR INCOME TAXES	(50)	-
NET LOSS	(361,866)	(362,065)
PER SHARE DATA:		
BASIC & DILUTED (LOSS) EARNINGS PER SHARE	(0.14)	(0.14)
SHARES USED	2,576,045	2,577,512

Microwave Filter Company, Inc.
Changes in Stockholders equity
For the Nine Months ended 6/30/2024

	Common Stock	Additional paid-in Capital	Retained Earnings	Treasury Stock		Total Stockholders' Equity
				Shares	Amount	
Balance at September 30,2023	\$ 432,414	\$ 3,248,706	\$ 135,802	1,747,974	(\$ 1,696,726)	\$ 2,120,196
Net loss			(\$ 139,574)			(\$ 139,574)
Balance at December 31, 2023	\$ 432,414	\$ 3,248,706	(\$ 3,772)	1,747,974	(\$ 1,696,726)	\$ 1,980,622
Net loss			(\$ 253,375)			(\$ 253,375)
Purchase of treasury stock				171	(\$ 86)	(\$ 86)
Balance at March 31, 2024	\$ 432,414	\$ 3,248,706	(\$ 257,147)	1,748,145	(\$ 1,696,812)	\$ 1,727,161
Net profit			\$ 31,083			\$ 31,083
Purchase of treasury stock				171	(\$ 85)	(\$ 85)
Balance at June 30, 2024	<u>\$ 432,414</u>	<u>\$ 3,248,706</u>	<u>(\$ 226,064)</u>	<u>1,748,316</u>	<u>(\$ 1,696,897)</u>	<u>\$ 1,758,159</u>

Microwave Filter Company and Subsidiaries
Consolidated Statement of Cash Flows
(Unaudited)

	Nine Months ended June 30, 2024	Nine Months ended June 30, 2023
<u>Increase (decrease) in cash and cash equivalents</u>		
Cash flows from operating activities:		
Consolidated net (loss) income	(\$ 361,866)	(\$ 362,065)
Adjustments to reconcile consolidated net (loss) income to net cash provided by (used for) operating activities:		
Depreciation and amortization	78,991	82,888
(Increase) decrease in trade accounts receivable	118,702	167,268
(Increase) decrease in inventories	(6,625)	14,079
(Increase) decrease in prepaid expenses and other current assets	20,981	(7,800)
Increase (decrease) in accounts payable	(21,673)	(79,978)
Increase (decrease) in customer deposits	17,591	25,006
Increase (decrease) in accrued liabilities	(14,788)	(11,790)
Net cash used for operating activities	(168,687)	(172,392)
Cash flows from investing activities:		
Capital expenditures	-	(14,384)
Net cash used for capital expenditures	-	(14,384)
Cash flows from financing activities:		
Purchase of treasury stock	(171)	-
Net cash used for financing activities	(171)	-
Net decrease in cash and cash equivalents	(168,858)	(186,776)
Cash and cash equivalents, beginning of year	920,921	838,878
Cash and cash equivalents, end of quarter	<u>\$ 752,063</u>	<u>\$ 652,102</u>
<u>Supplemental disclosure of cash flow information</u>		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for taxes	\$ 50	\$ -

MICROWAVE FILTER COMPANY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2024

Note 1. Summary of Significant Accounting Policies

In these notes, the terms “MFC” and “Company” mean Microwave Filter Company, Inc. and its subsidiary companies.

The following unaudited condensed balance sheet as of September 30, 2023 and the unaudited interim condensed consolidated financial statements for the nine months ended June 30, 2024 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although the company believes that the disclosures made are adequate to make the information not misleading. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The operating results for the nine month period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ended September 30, 2024. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company’s Financial Statements for the Fiscal Year Ended September 30, 2023.

Note 2. Industry Segment Data

The Company's primary business segment involves the operations of Microwave Filter Company, Inc. which designs, develops, manufactures and sells electronic filters, both for radio and microwave frequencies, to help process signal distribution and to prevent unwanted signals from disrupting transmit or receive operations. Markets served include 5G, cable television, television and radio broadcast, satellite broadcast, mobile radio, commercial communications and defense electronics.

Note 3. Inventories

Inventories are stated at the lower of cost determined on the first-in, first-out method or net realizable value. Net realizable value is determined as the estimated selling price in the normal course of business, minus the cost of completion, disposal and transportation.

Inventories net of the reserve for obsolescence consisted of the following:

	June 30, 2024	September 30, 2023
Raw materials and stock parts	\$160,697	\$155,523
Work-in process	17,268	16,630
Finished Goods	<u>25,191</u>	<u>24,378</u>
	<u>\$203,156</u>	<u>\$196,531</u>

The Company's reserve for obsolescence equaled \$284,000 at June 30, 2024 and September 30, 2023. The Company provides for a valuation reserve for certain inventory that is deemed to be obsolete, of excess quantity or otherwise impaired.

Note 4. Income Taxes

The Company accounts for income taxes under FASB ASC 740-10. Deferred tax assets and liabilities are based on the difference between the financial statement and tax basis of assets and liabilities as measured by the enacted tax rates which are anticipated to be in effect when these differences reverse. The deferred tax provision is the result of the net change in the deferred tax assets and liabilities. A valuation allowance is established when it is necessary to reduce deferred tax assets to amounts expected to be realized. The Company has provided a full valuation allowance against its net deferred tax assets.

The Company follows FASB ASC 740-10, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Additionally, it provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company will include interest on income tax liabilities in interest expense and penalties in operations if such amounts arise. The Company determined it has no uncertain tax positions and therefore no amounts are recorded.

Note 5. Legal Matters

None.

Note 6. Fair Value of Financial Instruments

The carrying value of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturity of those instruments. The carrying value of the Company's note payable approximates its fair value.

The Company currently does not trade in or utilize derivative financial instruments.

Note 7. Significant Customers

Net sales to two customers represented 45.6% of the Company's total sales for the nine months ended June 30, 2024 and 40.3% of the Company's total sales for the nine months ended June 30, 2023. A loss of these customers or programs related to these customers could significantly impact the Company.

Note 8. Earnings Per Share

The Company presents basic earnings per share ("EPS"), computed based on the weighted average number of common shares outstanding for the period, and when applicable diluted EPS, which gives the effect to all dilutive potential shares outstanding (i.e. options) during the period after restatement for any stock dividends. There were no dividends declared during the nine months ended June 30, 2024 and 2023. Income (loss) used in the EPS calculation is net income (loss) for each period. There were no dilutive potential shares outstanding for the periods ended June 30, 2024 and 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Microwave Filter Company, Inc. (MFC) operates primarily in the United States and principally in one industry. The Company extends credit to business customers, including original equipment manufacturers (OEMs), distributors and other end users, based upon ongoing credit evaluations. MFC designs, develops, manufactures and sells electronic filters, both for radio and microwave frequencies, to help process signal distribution and to prevent unwanted signals from disrupting transmit or receive operations. Markets served include 5G, cable television, television and radio broadcast, satellite broadcast, mobile radio and commercial and defense electronics.

RESULTS OF OPERATION

Three months ended June 30, 2024 compared to three months ended June 30, 2023

The following table sets forth the Company's net sales by major group for the third quarter ended June 30, 2024 and 2023.

<u>Product Group</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
RF/Microwave	\$ 605,503	\$ 467,606
Satellite	145,914	279,853
Cable TV	54,423	79,310
Broadcast TV	<u>26,510</u>	<u>107,934</u>
Total	\$ 832,350	\$ 934,703
Sales backlog at 6/30	\$ 404,241	\$ 776,342

Net sales decreased \$102,353, or 11%, to \$832,350 during the quarter ended June 30, 2024 when compared to sales of \$934,703 during the quarter ended June 30, 2023.

RF/Microwave product sales increased \$137,897, or 29.5%, to \$605,503 compared to \$467,606 last year. MFC's RF/Microwave products are sold primarily to Original Equipment Manufacturers (OEM) that serve the mobile radio, commercial communications and defense electronics markets.

Satellite sales decreased \$133,939, or 48%, to \$145,914 compared to \$279,853 last year. The decrease can be attributed to a decrease in sales of our 5G filters. We anticipate these sales to pick up during calendar year 2024.

Cable TV sales decreased \$24,887 to \$54,423 compared to \$79,310 last year primarily due to orders from one customer.

Broadcast TV product sales decreased \$81,424 or 75.4%, to \$26,510 compared to \$107,934 last year primarily due to orders from one customer.

At June 30, 2024, the Company's total backlog of orders, which represents firm orders from customers, equaled \$404,241 compared to \$776,342 at June 30, 2023. 90% of the total Company backlog at June 30, 2024 is scheduled to ship during fiscal 2024. However, backlog is not necessarily indicative of future sales. Accordingly, the Company does not believe that its backlog at any particular date is representative of actual sales for any succeeding period.

Gross profit increased \$9,711 to \$307,127 during the quarter ended June 30, 2024 compared to \$297,416 during the quarter ended June 30, 2023. As a percentage of sales, gross profit equaled 36.9% during the quarter ended June 30, 2024 compared to 31.8% during the quarter ended June 30, 2023 primarily due to lower direct labor and manufacturing overhead costs.

Selling, general and administrative (SG&A) expenses decreased \$23,837 to \$284,716 during the quarter ended June 30, 2024 compared to SG&A expenses of \$308,553 during the quarter ended June 30, 2023.

Other income was \$8,672 during the quarter ended June 30, 2024 compared to other income of \$3,505 during the quarter ended June 30, 2023 primarily due to higher interest income this year.

The Company recorded income taxes of \$0 for the three months ended June 30, 2024 and \$0 for the three months ended June 30, 2023. Any other provision for income tax expense was fully offset by a reversal of a portion of the Company's valuation allowance. Any benefit for losses has been subject to a valuation allowance since the realization of the deferred tax benefit is not considered more likely than not.

Nine months ended June 30, 2024 compared to nine months ended June 30, 2023

The following table sets forth the Company's net sales by major group for the nine months ended June 30, 2024 and June 30, 2023.

<u>Product Group</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
RF/Microwave	\$ 810,805	\$ 1,142,796
Satellite	600,996	1,008,922
Broadcast TV	319,197	335,801
Cable TV	<u>217,254</u>	<u>240,009</u>
Total	\$ 1,948,252	\$ 2,727,528
Sales backlog at 6/30	\$ 404,241	\$ 776,342

Net sales decreased \$779,276, or 28.6%, to \$1,948,252 during the nine months ended June 30, 2024 when compared to sales of \$2,727,528 during the nine months ended June 30, 2023.

RF/Microwave product sales decreased \$331,991, or 29.1%, to \$810,805 compared to \$1,142,796 last year. MFC's RF/Microwave products are sold primarily to Original Equipment Manufacturers (OEM) that serve the mobile radio, commercial communications and defense electronics markets.

Satellite sales decreased \$407,926, or 40.4%, to \$600,996 compared to \$1,008,922 last year. The decrease can be attributed to a decrease in sales of our 5G filters. We anticipate these sales to pick up during calendar year 2024.

Broadcast TV product sales decreased \$16,604 or 4.9%, to \$319,197 compared to \$335,801 last year primarily due to orders from one customer.

Cable TV sales decreased \$22,755 to \$217,254, or 9.5%, compared to \$240,009 last year primarily due to orders from one customer.

At June 30, 2024, the Company's total backlog of orders, which represents firm orders from customers, equaled \$404,241 compared to \$776,342 at June 30, 2023. 90% of the total Company backlog at June 30, 2024 is scheduled to ship during fiscal 2024. However, backlog is not necessarily indicative of future sales. Accordingly, the Company does not believe that its backlog at any particular date is representative of actual sales for any succeeding period.

Gross profit decreased \$149,756 to \$512,096 during the nine months ended June 30, 2024 compared to \$661,852 during the nine months ended June 30, 2023, primarily due to the decrease in sales. As a percentage of sales, gross profit equaled 26.3% during the nine months ended June 30, 2024 compared to 24.3% during the nine months ended June 30, 2023 primarily due to lower direct labor and manufacturing overhead costs.

Selling, general and administrative (SG&A) expenses decreased \$130,834 to \$902,204 during the nine months ended June 30, 2024 compared to SG&A expenses of \$1,033,038 during the nine months ended June 30, 2023. The decrease can be attributed lower payroll and payroll related expenses this year when compared to last year.

Other income was \$28,292 during the nine months ended June 30, 2024 compared to other income of \$9,121 during the nine months ended June 30, 2023 primarily due to interest income.

The Company recorded income taxes of \$50 and \$0 for the nine months ended June 30, 2024 and June 30, 2023. Any other provision for income tax expense was fully offset by a reversal of a portion of the Company's valuation allowance. Any benefit for losses has been subject to a valuation allowance since the realization of the deferred tax benefit is not considered more likely than not.

LIQUIDITY AND CAPITAL RESOURCES

MFC defines liquidity as the ability to generate adequate funds to meet its operating and capital needs. The Company's primary source has been funds provided by operations and its existing cash balances.

	At 6/30/2024	At 9/30/2023
Cash & cash equivalents	\$752,063	\$920,921
Working capital	\$1,086,364	\$1,369,410
Current ratio	4.63 to 1	5.30 to 1
Long-term debt	\$ 0	\$ 0

Cash & cash equivalents decreased \$168,858 to \$752,063 at June 30, 2024 when compared to \$920,921 at September 30, 2023. The decrease was a result of \$168,687 in net cash used in operating activities and \$171 in net cash used to purchase treasury stock.

Net cash provided by operating activities fluctuates between periods primarily as a result of differences in sales and net income and the timing of the collection of accounts receivable, purchase of inventory and payment of accounts payable.

Management believes that its working capital requirements for the foreseeable future will be met by its existing cash balances, future cash flows from operations and its current credit arrangements.

Off-Balance Sheet Arrangements

At June 30, 2024 and 2023, the Company did not have any unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special entities, which might have been established for the purpose of facilitates off-balance sheet arrangements.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Carl Fahrenkrug certify that:

1. I have reviewed this Disclosure Statement for Microwave Filter Company, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

8/13/2024

/s/ Carl Fahrenkrug

Principal Financial Officer:

I, Richard Jones certify that:

1. I have reviewed this Disclosure Statement for Microwave Filter Company, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

8/13/2024

/s/ Richard Jones