

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Microwave Filter Company Inc.,

6743 Kinne Street, East Syracuse, New York 13057

315-438-4700

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dick-j@microwavefilter.com

3663

[Quarterly/Annual/Interim] Report

For the Period Ending: 06/30/2022
(the "Reporting Period")

As of 06/30/2022 the number of shares outstanding of our Common Stock was: 2,577,512.

As of 03/31/2022, the number of shares outstanding of our Common Stock was: 2,577,512.

As of 09/30/2021, the number of shares outstanding of our Common Stock was: 2,577,531.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹ "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 any names used by predecessor entities, along with the dates of the name changes.

Microwave Filter Company, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

New York

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

None

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

None

The address(es) of the issuer's principal executive office:

6743 Kinne Street, East Syracuse, New York 13057

The address(es) of the issuer's principal place of business:

Check box 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?

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

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: 06/30/2022
Total shares outstanding:	2,577,512 as of date: 06/30/2022

Number of shares in the Public Float²: 2491223 as of date: 06/30/2022

Total number of shareholders of record: 436 as of date: 06/30/2022

All additional class(es) of publicly traded securities (if any):

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

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

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date 09/30/2020 Common: 2578630 Preferred: _____			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per	Were the shares issued at a discount to market	Individual/ Entity Shares were issued to (entities must have individual	Reason for share issuance (e.g. for cash or debt conversion) -OR-	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

	returned to treasury)			share) at Issuance	price at the time of issuance? (Yes/No)	with voting / investment control disclosed).	Nature of Services Provided		
		_____	_____	_____	_____	_____	_____	_____	_____
		_____	_____	_____	_____	_____	_____	_____	_____
		_____	_____	_____	_____	_____	_____	_____	_____
		_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:									
	Ending Balance								
Ending Balance:									
Date 06/30/2022	Common:	2577512							
	Preferred:								

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

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 (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

4) Financial Statements

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

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

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

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

MICROWAVE FILTER COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2022

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

	<u>AT 6/30/22</u>	<u>AT 9/30/21</u>
	<u>\$</u>	<u>\$</u>
ASSETS		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS	935,047	981,580
ACCOUNTS RECEIVABLE	584,116	606,503
INVENTORIES AND WORK IN PROCESS	338,717	367,443
PREPAID EXPENSES & OTHER CURRENT ASSETS	83,888	70,667
CURRENT PORTION RIGHT-OF-USE LEASE ASSET	-	3,358
TOTAL CURRENT ASSETS	<u>1,941,768</u>	<u>2,029,551</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	8,133,914	7,788,388
LESS: ACCUMULATED DEPRECIATION	<u>(7,433,796)</u>	<u>(7,366,962)</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>700,118</u>	<u>421,426</u>
TOTAL ASSETS	<u>2,641,886</u>	<u>2,450,977</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	416,393	142,413
CUSTOMER DEPOSITS	24,717	50,241
CURRENT PORTION LEASE LIABILITY	-	3,358
ACCRUED PAYROLL AND RELATED EXPENSES	50,773	44,418
ACCRUED COMPENSATED ABSENCES	116,810	133,019
NOTES PAYABLE - SHORT TERM	-	58,746
OTHER CURRENT LIABILITIES	15,852	20,663
PPP LOAN PAYABLE 2	-	309,682
TOTAL CURRENT LIABILITIES	<u>624,545</u>	<u>762,540</u>
NOTES PAYABLE - LONG TERM	-	50,896
TOTAL LIABILITIES	<u>624,545</u>	<u>813,436</u>
STOCKHOLDERS' EQUITY		
COMMON STOCK \$.10 PAR VALUE, AUTHORIZED 5,000,000 SHARES ISSUED 4,324,140 IN 2022 AND 2021		
OUTSTANDING 2,577,512 IN 2022 AND 2,578,630 IN 2021	432,414	432,414
ADDITIONAL PAID-IN-CAPITAL	3,248,706	3,248,706
RETAINED EARNINGS	32,274	(347,537)
COMMON STOCK IN TREASURY, AT COST, 1,746,628 SHARES IN 2022 AND 1,745,510 IN 2021	<u>(1,696,053)</u>	<u>(1,696,042)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>2,017,341</u>	<u>1,637,541</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>2,641,886</u>	<u>2,450,977</u>

MICROWAVE FILTER COMPANY, INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 6/30/22 VS 6/30/21
(UNAUDITED)

	<u>6/30/22</u>	<u>6/30/21</u>
	<u>\$</u>	<u>\$</u>
NET SALES	\$ 1,221,255	\$ 1,789,507
COST OF GOODS SOLD	<u>856,816</u>	<u>1,138,770</u>
GROSS PROFIT	364,439	650,737
SELLING, GEN'L, ADM. EXPENSES	<u>356,552</u>	<u>316,973</u>
INCOME FROM OPERATIONS	7,887	333,764
OTHER INCOME (EXPENSES):		
MISC. INCOME	3,004	512
INTEREST INCOME	23	77
INTEREST EXPENSE	<u>-</u>	<u>(1,499)</u>
TOTAL OTHER INCOME (EXPENSE)	3,027	<u>(910)</u>
NET INCOME BEFORE TAX	10,914	332,854
PROVISION (BENEFIT) FOR INCOME TAXES	<u>-</u>	<u>-</u>
NET INCOME	\$ <u><u>10,914</u></u>	\$ <u><u>332,854</u></u>
PER SHARE DATA:		
BASIC & DILUTED EARNINGS PER SHARE	\$ <u><u>-</u></u>	\$ <u><u>0.13</u></u>
SHARES USED:		
BASIC & DILUTED	<u><u>2,577,712</u></u>	<u><u>2,577,703</u></u>

**MICROWAVE FILTER COMPANY, INC.
CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 6/30/22 VS 6/30/21
(UNAUDITED)**

	<u>6/30/22</u> \$	<u>6/30/21</u> \$
NET SALES	\$ 3,748,430	\$ 3,721,799
COST OF GOODS SOLD	<u>2,571,359</u>	<u>2,578,975</u>
GROSS PROFIT	1,177,071	1,142,824
SELLING, GEN'L, ADM. EXPENSES	<u>1,113,594</u>	<u>938,985</u>
INCOME FROM OPERATIONS	63,477	203,839
OTHER INCOME (EXPENSES):		
MISC. INCOME	7,585	6,632
PPP LOAN FORGIVENESS	309,682	-
INTEREST INCOME	185	219
INTEREST EXPENSE	(<u>1,118</u>)	(<u>4,876</u>)
TOTAL OTHER INCOME (EXPENSE)	316,334	1,975
NET INCOME BEFORE TAX	379,811	205,814
PROVISION (BENEFIT) FOR INCOME TAXES	<u>-</u>	<u>50</u>
NET INCOME	\$ <u><u>379,811</u></u>	\$ <u><u>205,764</u></u>
PER SHARE DATA:		
BASIC & DILUTED EARNINGS PER SHARE	\$ <u><u>0.15</u></u>	\$ <u><u>0.08</u></u>
SHARES USED:		
BASIC & DILUTED	<u><u>2,577,513</u></u>	<u><u>2,577,980</u></u>

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

	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Consolidated net income (loss)	\$ 379,811	\$ 205,764
Adjustments to reconcile consolidated net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	66,834	38,769
(Increase) decrease in trade accounts receivable	22,387	(253,426)
(Increase) decrease in inventories	28,726	(50,242)
(Increase) decrease in prepaid expenses and other current assets	(13,221)	(1,356)
Paycheck Protection Program loan forgiveness	(309,682)	
Increase (decrease) in accounts payable & customer deposits	248,456	46,762
Increase (decrease) in payroll and related expenses and compensated employees	(9,854)	45,609
Increase (decrease) in accrued liabilities	(4,811)	(6,480)
Net cash provided by operating activities	<u>408,646</u>	<u>25,400</u>
Cash flows from investing activities:		
Capital expenditures	(<u>345,526</u>)	(<u>133,165</u>)
Cash flows from financing activities:		
Principal payments on borrowings	(109,642)	(41,750)
Proceeds from PPP loan 2		309,682
Purchase of treasury stock	(<u>11</u>)	(<u>504</u>)
Net cash provided by (used in) financing activities	(<u>109,653</u>)	<u>267,428</u>
Net (decrease) increase in cash and cash equivalents	(46,533)	159,663
Cash and cash equivalents, beginning of year	<u>981,580</u>	<u>764,169</u>
Cash and cash equivalents, end of year	<u>\$ 935,047</u>	<u>\$ 923,832</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 1,118	\$ 4,876
Cash paid during the year for taxes	\$ -	\$ 50

MICROWAVE FILTER COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional	Accumulated	Treasury Stock		Total
	Shares	Amt	Paid-in Capital	Deficit	Shares	Amt	Stockholders' Equity
September 30, 2021 (Unaudited)	4,324,140	\$ 432,414	\$ 3,248,706	\$ (347,537)	1,746,609	\$ (1,696,042)	\$ 1,637,541
(Unaudited) Net profit				389,305			389,305
Purchase of treasury stock					19	(11)	(11)
December 31, 2021 (Unaudited)	<u>4,324,140</u>	<u>\$ 432,414</u>	<u>\$ 3,248,706</u>	<u>\$ 41,768</u>	<u>1,746,628</u>	<u>\$ (1,696,053)</u>	<u>\$ 2,026,835</u>
(Unaudited) Net (loss)				(20,408)			(20,408)
March 31, 2022 (Unaudited)	<u>4,324,140</u>	<u>\$ 432,414</u>	<u>\$ 3,248,706</u>	<u>\$ 21,360</u>	<u>1,746,628</u>	<u>\$ (1,696,053)</u>	<u>\$ 2,006,427</u>
(Unaudited) Net profit				10,914			10,914
June 30, 2022 (Unaudited)	<u>4,324,140</u>	<u>\$ 432,414</u>	<u>\$ 3,248,706</u>	<u>\$ 32,274</u>	<u>1,746,628</u>	<u>\$ (1,696,053)</u>	<u>\$ 2,017,341</u>

MICROWAVE FILTER COMPANY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2022

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, 2021 and the unaudited interim condensed consolidated financial statements 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, 2022 are not necessarily indicative of the results that may be expected for the year ended September 30, 2022. 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, 2021.

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, 2022	September 30, 2021
Raw materials and stock parts	\$276,054	\$299,983
Work-in process	46,404	45,927
Finished Goods	<u>16,259</u>	<u>21,533</u>
	<u>\$338,717</u>	<u>\$367,443</u>

The Company's reserve for obsolescence equaled \$506,826 at June 30, 2022 and September 30, 2021. 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 three customers represented 59.5% of the Company's total sales for the nine months ended June 30, 2022 and net sales to three customers represented 59.2% of the Company's total sales for the nine months ended June 30, 2021. A loss of these customers or programs related to these customers could significantly impact the Company.

Note 8. Notes Payable

On July 2, 2013, the Company entered into a Ten Year Term Loan with KeyBank National Association in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00). The amount of all advances outstanding together with accrued interest thereon shall be due and payable on July 2, 2023 ("Maturity"). The Company paid this loan in full on December 28, 2021.

Note 9. PPP Loan

The Company received a Payroll Protection Program (PPP) loan totaling \$309,682 on March 10, 2021. The PPP loan is intended to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID-19). The SBA will forgive loans if all employee retention criteria are met and the funds are used for eligible expenses. The loan is intended to cover costs related to payroll expenses, continuation of group health care benefits, mortgage interest payments, utility payments and interest payments on other pre-existing debt obligations. On December 2, 2021, the Company was granted forgiveness of this loan.

Note 10. 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 quarters ended June 30, 2022 and 2021. 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, 2022 and 2021.

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.

THE IMPACT OF COVID-19

The public health crisis caused by the COVID-19 pandemic has impacted MFC's operations and financial results. MFC serves as an essential manufacturing business and has continued to be operational. There continues to be significant uncertainties associated with the COVID-19 pandemic which could have a material impact on MFC's business, financial position, results of operations and cash flows.

RESULTS OF OPERATION

Three months ended June 30, 2022 compared to three months ended June 30, 2021

The following table sets forth the Company's net sales by major group for the third quarter ended June 30, 2022 and 2021.

<u>Product Group</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Satellite	\$ 668,719	\$ 1,200,763
RF/Microwave	315,248	409,642
Cable TV	119,620	58,052
Broadcast TV	<u>117,668</u>	<u>121,050</u>
Total	\$ 1,221,255	\$ 1,789,507
Sales backlog at 6/30	\$ 1,682,230	\$ 2,934,810

Net sales decreased \$568,252 to \$1,221,255 during the quarter ended June 30, 2022 when compared to sales of \$1,789,507 during the quarter ended June 30, 2021.

Satellite TV sales decreased \$532,044 to \$668,719 compared to \$1,200,763 last year. The decrease can be attributed to a decrease in sales of our 5G filters.

RF/Microwave product sales decreased \$94,394 to \$315,248 compared to \$409,642 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.

At June 30, 2022, the Company's total backlog of orders, which represents firm orders from customers, equaled \$1,682,230 compared to \$2,934,810 at June 30, 2021. 72% of the total Company backlog at June 30, 2022 is scheduled to ship during fiscal 2022. 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 \$286,298 to \$364,439 during the quarter ended June 30, 2022 compared to \$650,737 during the quarter ended June 30, 2021, primarily due to the decrease in sales. As a percentage of sales, gross profit equaled 29.8% during the quarter ended June 30, 2022 compared to 36.4% during the quarter ended June 30, 2021.

Selling, general and administrative (SG&A) expenses increased \$39,579 to \$356,552 during the three months ended June 30, 2022 compared to SG&A expenses of \$316,973 during the three months ended June 30, 2021. The increases were due to higher payroll and payroll related expenses during the three months ended June 30, 2022 when compared to last year.

The Company recorded income taxes of \$0 and \$0 for the three months ended June 30, 2022 and June 30, 2021. 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, 2022 compared to Nine months ended June 30, 2021

The following table sets forth the Company's net sales by major group for the nine months ended June 30, 2022 and 2021.

<u>Product Group</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Satellite	\$ 1,958,225	\$ 2,044,605
RF/Microwave	1,330,901	1,089,120
Cable TV	232,663	217,929
Broadcast TV	<u>226,641</u>	<u>370,145</u>
Total	\$ 3,748,430	\$ 3,721,799
Sales backlog at 6/30	\$ 1,682,230	\$ 2,934,810

Net sales increased \$26,631 or to \$3,748,430 during the nine months ended June 30, 2022 when compared to sales of \$3,721,799 during the nine months ended June 30, 2021.

Satellite TV sales decreased \$86,380 to \$1,958,225 compared to \$2,044,605 last year. The decrease can primarily be attributed to a decrease in sales of our 5G filters.

RF/Microwave product sales increased \$241,781 to \$1,330,901 compared to \$1,089,120 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.

At June 30, 2022, the Company's total backlog of orders, which represents firm orders from customers, equaled \$1,682,230 compared to \$2,934,810 at June 30, 2021. 72% of the total Company backlog at June 30, 2022 is scheduled to ship during fiscal 2022. 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 \$34,247 to \$1,113,594 during the nine months ended June 30, 2022 compared to \$1,142,824 during the nine months ended June 30, 2021. As a percentage of sales, gross profit equaled 31.4% during the nine months ended June 30, 2022 compared to 30.7% during the nine months ended June 30, 2021.

Selling, general and administrative (SG&A) expenses increased \$174,609 to \$1,113,594 during the nine months ended June 30, 2022 compared to SG&A expenses of \$938,985 during the nine months ended June 30, 2021. The increases were due to higher payroll and payroll related expenses, higher professional fees, higher office expenses and higher advertising expenses during the nine months ended June 30, 2022 when compared to last year.

Other income was \$316,334 during the nine months ended June 30, 2022 compared to other income of \$1,975 during the nine months ended June 30, 2021 primarily due to the Paycheck Protection Program loan forgiveness in the amount of \$309,682. This loan was forgiven on December 2, 2021.

The Company recorded income taxes of \$0 and \$50 for the nine months ended June 30, 2022 and June 30, 2021. 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 6/30/2022	At 9/30/2021
Cash & cash equivalents	\$935,047	\$981,580
Working capital	\$1,317,233	\$1,267,011
Current ratio	3.11 to 1	2.66 to 1
Long-term debt	\$ 0	\$109,642

Cash & cash equivalents decreased \$46,533 to \$935,047 at June 30, 2022 when compared to \$981,580 at September 30, 2021. The increase was a result of \$408,646 in net cash provided by operating activities, \$345,526 in net cash used for capital expenditures and \$109,653 in cash used for financing activities.

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

The \$345,526 in fixed asset purchases consisted of \$222,225 in masonry restoration and repair of overhead doors and exterior man doors, \$7,560 in other building improvements, \$71,290 in electronic test equipment, \$34,701 in production equipment, and \$9,750 in computer software.

During 2021, the Company was granted a second PPP loan of \$309,682. The loan was forgiven on December 2, 2021.

On July 2, 2013, Microwave Filter Company, Inc. (the "Company") entered into a Ten Year Term Loan with KeyBank National Association in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00). The loan was paid in full on December 28, 2021.

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, 2022 and 2021, 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.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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. Please list any subsidiaries, parents, 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

6) Issuer's Facilities

The goal of this section is to provide a potential investor 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, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Carl F Fahrenkrug, Jr.	Chief Executive Officer	Manlius, NY	12,246	Common	Less than 1%	
Richard Jones	Chief Financial Officer	Fayetteville, Ny	0			
Samuel Fanizzi	Vice President Marketing	North Syracuse, NY	0			
Robert Paul	Vice President Engineering	Syracuse, NY	0			
Robert Andrews	Director	Manlius, NY	2,080	Common	Less than 1%	
Carl F. Fahrenkrug, Sr.	Director	Manlius, NY	72,298	Common	2.8%	
Sidney Chong	Director	Syracuse, NY	0			

James Gascon	Director	Syracuse, NY	0			
John Kennedy	Director	Syracuse, NY	1,000	Common	Less than 1%	
Thomas Quartier	Director	Syracuse, NY	0			
Irene Scruton	Director	Syracuse, NY	0			
Anne Tindall	Director	Syracuse, NY	0			

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. 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, or banking activities;

None

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

None

4. The entry 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

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 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

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

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

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) or consultant(s) or provided assistance or services to the issuer during the reporting period.

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

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 Jr certify that:

1. I have reviewed this June 30, 2022 quarterly statement of 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.

8/15/2022

/s/ Carl Fahrenkrug Jr

Principal Financial Officer:

I, Richard Jones, certify that:

1. I have reviewed this June 30, 2022 quarterly statement of 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.

8/15/2022

/s/ Richard Jones