

R F INDUSTRIES LTD
Form 10QSB
March 17, 2008

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED JANUARY 31, 2008

Commission file number: 0-13301

RF INDUSTRIES, LTD.

(Exact name of registrant as specified in its charter)

Nevada
(State of Incorporation)

88-0168936
(I.R.S. Employer Identification No.)

7610 Miramar Road, Bldg. 6000, San Diego, California 92126-4202

(Address of principal executive offices)
(858) 549-6340

(Zip Code)
FAX (858) 549-6345

(Issuer's telephone and fax numbers, including area code)

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

Check whether the issuer (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 filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

State the number of shares outstanding of each of the issuer's classes of common stock at the latest practicable date. As of February 26, 2008, the registrant had 3,291,999 shares of Common Stock, \$.01 par value, issued.

Transitional Small Business Disclosure Format (check one): Yes No

Part I. FINANCIAL INFORMATION**Item 1: Financial Statements**

**RF INDUSTRIES, LTD.
CONDENSED BALANCE SHEETS
UNAUDITED**

	January 31, 2008	October 31, 2007 (Note 1)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,845,012	\$ 3,400,566
Investments in available-for-sale securities	4,332,273	4,531,680
Trade accounts receivable, net of allowance for doubtful accounts of \$39,957 and \$43,459	1,693,723	1,900,029
Inventories	5,447,579	4,955,302
Other current assets	371,924	241,995
Deferred tax assets	239,800	321,700
TOTAL CURRENT ASSETS	15,930,311	15,351,272
Equipment and furnishings:		
Equipment and tooling	1,780,154	1,780,154
Furniture and office equipment	341,590	341,590
	2,121,744	2,121,744
Less accumulated depreciation	1,918,165	1,866,051
TOTAL	203,579	255,693
Goodwill	308,479	308,479
Amortizable intangible asset, net	98,011	114,800
Note receivable from stockholder	66,980	66,980
Other assets	30,934	30,934
TOTAL ASSETS	\$ 16,638,294	\$ 16,128,158

Item 1: Financial Statements (continued)

RF INDUSTRIES, LTD.
CONDENSED BALANCE SHEETS
UNAUDITED

	January 31, 2008	October 31, 2007 (Note 1)
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 284,022	\$ 205,136
Accrued expenses	1,007,911	696,939
Income taxes payable	42,690	167,625
TOTAL CURRENT LIABILITIES	1,334,623	1,069,700
Deferred tax liabilities	37,100	70,000
Other long-term liabilities	258,478	47,665
TOTAL LIABILITIES	1,630,201	1,187,365
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock - authorized 10,000,000 shares of \$0.01 par value; 3,291,999 and 3,285,969 shares issued and outstanding	32,920	32,860
Additional paid-in capital	5,870,072	5,700,362
Retained earnings	9,105,101	9,207,571
TOTAL STOCKHOLDERS' EQUITY	15,008,093	14,940,793
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 16,638,294	\$ 16,128,158

See Notes to Condensed Unaudited Financial Statements

Item 1: Financial Statements (continued)

RF INDUSTRIES, LTD.
CONDENSED STATEMENTS OF INCOME
THREE MONTHS ENDED JANUARY 31
UNAUDITED

	2008	2007
Net sales	\$ 3,826,566	\$ 3,152,128
Cost of sales	1,955,493	1,890,421
Gross profit	1,871,073	1,261,707
Operating expenses:		
Engineering	272,392	116,982
Selling and general	1,331,543	1,123,531
Totals	1,603,935	1,240,513
Operating income	267,138	21,194
Other income - interest	69,706	108,738
Income before provision for income taxes	336,844	129,932
Provision for income taxes	154,603	97,000
Net income	\$ 182,241	\$ 32,932
Basic earnings per share	\$ 0.06	\$ 0.01
Diluted earnings per share	\$ 0.05	\$ 0.01
Basic weighted average shares outstanding	3,291,503	3,256,758
Diluted weighted average shares outstanding	3,723,300	3,817,132

See Notes to Condensed Unaudited Financial Statements