

REFLECT SCIENTIFIC INC

Form 10QSB

August 17, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended June 30, 2007

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-31377

REFLECT SCIENTIFIC, INC.

(Exact name of small business issuer as specified in its charter)

Utah

(State or Other Jurisdiction of  
incorporation or organization)

87-0642556

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

1270 South 1380 West

Orem, Utah 84058

(Address of Principal Executive Offices)

(801) 226-4100

(Issuer's Telephone Number)

N/A

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

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY**

**PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Not applicable.

Check whether the Issuer filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes No.

Not applicable.

**APPLICABLE ONLY TO CORPORATE ISSUERS**

Indicate the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: August 16, 2007: Common 35,019,483 shares of common stock.

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

**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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**REFLECT SCIENTIFIC, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2007 and December 31, 2006**

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**REFLECT SCIENTIFIC, INC.**

## Consolidated Balance Sheet

ASSETS

	June 30, 2007 (Unaudited)
<b>CURRENT ASSETS</b>	
Cash	\$ 1,885,433
Accounts receivable	1,402,013
Other receivables	8,599
Inventory	598,987
Prepaid assets	343,740
 Total Current Assets	 4,238,772
 <b>FIXED ASSETS, NET</b>	 246,625
 <b>OTHER ASSETS</b>	
Intangible assets, net	7,114,124
Income tax receivable	24,761
Deferred tax asset	316,000
Long term prepaid asset	272,223
Deposits	3,100
 Total Other Assets	 7,730,208
 <b>TOTAL ASSETS</b>	 \$ 12,215,605

The accompanying notes are an integral part of these consolidated financial statements.

**REFLECT SCIENTIFIC, INC.**

## Consolidated Balance Sheet (Continued)

LIABILITIES AND SHAREHOLDERS EQUITY

	June 30, 2007 (Unaudited)
<b>CURRENT LIABILITIES</b>	
Short term loan	\$ 203,087
Accounts payable	302,114
Accrued expenses	80,231
Income taxes payable	400
Total Current Liabilities	585,832
<b>NON-CURRENT LIABILITIES</b>	
Debentures, net of Discount Warrant of \$1,639,029 and Discount Beneficial Conversion Features of \$860,971	-
Notes payable	43,521
Total Non-Current Liabilities	43,521
Total Liabilities	629,353
<b>COMMITMENTS AND CONTINGENCIES</b>	
<b>SHAREHOLDERS EQUITY</b>	
Preferred stock, \$0.01 per value, authorized 5,000,000 shares; No shares issued and	

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Outstanding	-
Common stock, \$0.01 par value, authorized	
50,000,000 shares; 35,019,483 shares issued and outstanding	350,195
Additional paid in capital	14,184,348
Accumulated deficit	(2,948,291)
 Total Shareholders' Equity	 11,862,252
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$ 12,215,605

The accompanying notes are an integral part of these consolidated financial statements.



**REFLECT SCIENTIFIC, INC.**

## Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2007	2006	June 30, 2007	2006
REVENUES	\$ 3,387,617	\$ 624,277	\$ 4,555,637	\$ 1,255,181
COST OF GOODS SOLD	1,643,579	383,796	2,400,567	759,786
GROSS PROFIT	1,744,038	240,481	2,155,070	495,395
OPERATING EXPENSES				
Salaries and wages	449,020	112,008	793,812	223,157
Payroll taxes	36,957	10,422	79,078	21,257
Rent expense	52,924	21,398	96,595	38,661
General and administrative expense				
	1,737,758	269,429	2,115,500	357,030
Total Operating Expenses	2,276,659	413,257	3,084,985	640,105
OPERATING LOSS	(532,621)	(172,776)	(929,915)	(144,710)
OTHER EXPENSE				
Interest expense	(484,784)	-	(484,845)	(25)
Total Other Expenses	(484,784)	-	(484,845)	(25)
NET LOSS BEFORE INCOME TAXES	(1,017,405)	(172,776)	(1,414,760)	(144,735)

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Income tax benefit (expense)	-	28,110	-	24,329
NET LOSS	\$ (1,017,405)	\$ (144,666)	\$ (1,414,760)	\$ (120,406)
BASIC AND FULLY DILUTED INCOME(LOSS) PER SHARE	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	34,613,003	26,220,112	30,718,815	25,883,593

The accompanying notes are an integral part of these consolidated financial statements.

**REFLECT SCIENTIFIC, INC.**

## Consolidated Statements of Cash Flows

(Unaudited)

	For the Six Months Ended June 30,	
	2007	2006
Net loss	\$ (1,414,760)	\$ (120,406)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	25,741	1,860
Amortization	165,249	7,567
Common stock issued for services	484,574	-
Common stock issued for prepaid services	490,000	-
Changes in operating assets and liabilities:		
Increase in restricted cash	-	(258,470)
Increase in accounts receivable	(1,012,422)	(77,321)
Increase in inventory	(234,191)	(238,233)
(Increase) decrease in income tax receivable	1,187	(24,761)
Increase in prepaid asset	(134,785)	(10,000)
Decrease in other assets	10,300	-
Increase (decrease) in accounts payable and accrued expenses	130,675	140,999
Net Cash Used by Operating Activities	(1,488,432)	(578,765)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for intangible assets	-	(1,093,106)
Cash paid for fixed assets	(11,327)	(14,680)
Net Cash Used by Investing Activities	(11,327)	(1,107,786)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes payable	166,549	-
Proceeds from issuance of debentures	2,500,000	-
Proceeds from common stock issuance	447,605	1,348,500
Net Cash Provided by Financing Activities	3,114,154	1,348,500

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NET INCREASE (DECREASE) IN CASH	1,614,395	(338,051)
CASH AT BEGINNING OF PERIOD	271,038	492,102
CASH AT END OF PERIOD	\$ 1,885,433	\$ 154,051

The accompanying notes are an integral part of these consolidated financial statements.

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**REFLECT SCIENTIFIC, INC.**

Consolidated Statements of Cash Flows

(Unaudited)

For the Six Months Ended June 30,  
2007 2006

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash Paid For:

Interest	\$	8,859	\$	25
Income taxes	\$	-	\$	-

NON-CASH FINANCING ACTIVITIES:

Stock issued pursuant to Company mergers	\$	2,435,870	\$	-
Common stock issued for services	\$	484,574	\$	-
Common stock issued for prepaid services	\$	490,000	\$	-

The accompanying notes are an integral part of these consolidated financial statements.

**REFLECT SCIENTIFIC, INC.**

Notes to the Consolidated Financial Statements

June 30, 2007 and December 31, 2006

**NOTE 1 - BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company pursuant to accounting principles generally accepted in the United States of America. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed consolidated financial statements include normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed consolidated financial statements be read in conjunction with the Company's most recent audited consolidated financial statements and notes thereto included in its December 31, 2006 financial statements. Operating results for the three months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

**NOTE 2 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Cole, Inc. (the Company) was incorporated under the laws of the State of Utah on November 3, 1999. The Company was organized to engage in any lawful activity for which corporations may be organized under the Utah Revised Business Corporation Act. On December 30, 2003 the Company changed its name to Reflect Scientific, Inc.

Reflect Scientific, Inc. a California corporation, was incorporated on June 14, 1993, under the laws of California to engage in the manufacture of test kits for use in scientific studies.

On December 30, 2003, pursuant to an Agreement and Plan of Reorganization, the Company completed a reverse merger with the shareholders of Reflect Scientific, Inc. in which it acquired 100% of Reflect Scientific, Inc., a California corporation in exchange for 22,914,949 common shares of the Company. The terms of the acquisition are detailed in an 8-K filing dated December 31, 2003. Under the terms of the agreement, the President of Reflect Scientific, Inc. became the President of the Company and was elected to the Board of Directors the acquisition was accounted for as a recapitalization of Reflect Scientific, Inc. because the members of Reflect Scientific, Inc. controlled the Company after the acquisition. Reflect Scientific, Inc. was treated as the acquiring entity for accounting purposes and Cole, Inc. was the surviving entity for legal purposes. There was no adjustment to the carrying values of the assets or liabilities of Reflect Scientific, Inc. and no goodwill was recorded. The operations for the year ended

December 31, 2006 and 2005 are those of Reflect Scientific, Inc.



REFLECT SCIENTIFIC, INC.

Notes to the Consolidated Financial Statements

June 30, 2007 and December 31, 2006

NOTE 2 - ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

Effective January 19, 2007 the Company finalized an Agreement and Plan of Merger agreement with All Temp Engineering, Inc. Effective March 6, 2007, the Company finalized an Agreement and Plan of Merger agreement with Image Labs, International. The terms of the agreements are detailed in a 10-QSB filing dated March 31, 2007. The Company entered into these mergers after considering All Temp's and Image Lab's business history, financial condition, and intellectual property. The Company has a desire to expand its services and attract and retain talented technical personnel and believed there were strategic and financial advantages to combining the businesses.

NOTE 3 - CONVERTIBLE DEBENTURES AND WARRANTS

On June 29, 2007, the Company entered into an agreement to sell \$2,500,000 in 12% senior convertible debentures with a maturity date of June 29, 2009, with interest due quarterly. At the closing, the Company prepaid the first two quarterly interest payments out of proceeds of the offering from escrow for a total of \$150,000. The agreement allows for the Company to pay the interest in cash or in duly authorized, validly issued, fully paid and non-assessable shares of common stock at the interest conversion rate, or a combination thereof.

The debentures have a conversion price of \$0.65. If the Company, at any time while the debenture is outstanding, pays stock dividends, subdivides outstanding shares, sells or grants any option to purchase or dispose of common stock at an effective price lower than the conversion price, issue rights, options or warrants at a price lower than the conversion price, etc., the Company shall promptly deliver to each Holder a notice setting forth the conversion price after such adjustment and provide a brief statement of facts requiring such adjustment. In addition, if the volume weighted average price for each of any 20 consecutive trading days exceeds 250% of the conversion price, the Company may, within one trading day deliver a written notice to the holder and force the holder to convert a principal amount of the debenture equal to all or part of the holder's portion of the forced conversion amount.

The agreement also provides for the issuance of 1,923,077 A warrants and 1,923,077 B warrants. The warrants are exercisable at a price of \$0.80 per share for the A warrant and \$1.00 per share for the B warrant and expire June 29, 2012. The Company valued the warrants using the Black-Scholes option pricing model. Then the Company allocated a portion of the proceeds to the warrants, based on the relative fair value basis, in the amount of \$1,639,029 which is recognized as a contra liability account and will be amortized as interest expense over the 2 year term of the agreement. The intrinsic value of beneficial conversion of the debentures was valued at \$5,677,491, which exceeds the effective value of the debentures of \$860,971. Therefore, the discount assigned to the beneficial conversion

feature is limited to \$860,971 and is recognized as a contra liability account and will be amortized as interest expense of the 2 year term of the agreement.

As payment for services provided, the Company also issued 192,308 A warrants and 192,308 B warrants which were valued at \$475,925 using the Black-Scholes option pricing model and expensed in the current period.

REFLECT SCIENTIFIC, INC.

Notes to the Consolidated Financial Statements

June 30, 2007 and December 31, 2006

NOTE 3 CONVERTIBLE DEBENTURES AND WARRANTS (continued)

The debentures and warrants have anti-dilution protections, and the Company has agreed to certain registration rights for the resale of the shares of common stock underlying the debentures and warrants.

A summary of the status of the Company's outstanding stock warrants as of June 30, 2007 and changes during the period then ended is presented below:

		2007	
		Weighted Average Exercise Price	
	Shares		
Outstanding, beginning of year	-	\$	-
Granted	4,230,770		.90
Expired/Cancelled	-		-
Exercised	-		-
Outstanding end of year	4,230,770	\$	.90
Exercisable	4,230,770	\$	.90

Outstanding

Exercisable

Range of Exercise Prices	Number outstanding at June 30, 2007	Weighted Average Remaining Contractual Life	Number Exercisable at June 30,2007
\$ 0.80	2,115,385	6.00	2,115,385
1.00	2,115,385	6.00	2,115,385
	4,230,770		4,230,770

#### NOTE 4 EQUITY TRANSACTIONS

During the period ended June 30, 2007, the Company issued 2,000,000 shares issued pursuant to the merger with All Temp for \$2,120,000; 525,000 shares issued pursuant to the purchase of Image Labs for \$509,250; 500,000 shares issued as part of an employment agreement valued at \$490,000; and 874,404 shares valued at \$655,802 issued for cash; 431,235 shares valued at \$445,526 issued for services. Paid in capital was increased by \$2,975,925 as a result of the debenture agreement noted in Note 3, and there was additional contributed capital in the amount of \$26,416 for donated services and \$25,000 received in cash.

## **Item 2. Management's Discussion and Analysis or Plan of Operation.**

### **Plan of Operation**

For the next 12 months, we see:

(1) A continued expansion of our core business through the development and commercialization of new products that have already been identified to meet existing market opportunities. This plan of expansion will be supported by ongoing efforts to create strategic marketing alliances that are designed to increase net present value by optimizing cost and speed to market. Several new products are currently pending commercialization.

(2) The continuation of a complementary growth initiative, through strategic acquisitions, to improve our position with respect to tools, technologies and intellectual property as well as providing a near term increase in earnings.

(3) As part of an ongoing management process, our fund raising efforts and support for the above initiatives will be continuously reviewed and prioritized to ensure that returns are commensurate with levels of investment.

In the first quarter of 2007, the acquisitions of All Temp Engineering and Image Labs International were completed providing us with targeted technology and incremental share in the general Life Sciences markets.

### **All Temp Engineering Acquisition**

All Temp Engineering, Inc., a California Corporation, which provides repair services, installation and engineering for environmental control systems, was acquired through a merger agreement on Jan 19, 2007, for 2,000,000 shares of our common stock. We believe that the services All Temp provides to its customers are an integral part of our strategic product and commercialization plan to gain rapid penetration into the \$1 Billion ultra low temperature storage market. Strong technical synergies exist between All Temp Engineering and our Cryometrix subsidiary (acquired in 2006) based on the Cryometrix Ultra Low Temperature ( ULT ) storage system and a shared customer segment. All Temp is recognized as one of the leaders in its field and is one of the largest companies of its kind in California.

### **Image Labs International Acquisition**

Smithgall and Associates, Inc., a Georgia corporation, doing business as Image Labs International in Montana, was acquired on Feb 28, 2007. Image Labs shareholders were issued 525,000 shares of our common stock and paid \$200,000 in cash. Image Labs is engaged in the manufacture and sale of large scale industrial analytical inspection systems as well as possessing key technologies in machine vision, robotics and software. Image Labs is a leader in its market. We expect several engineering synergies that exist with our other businesses to have a positive bearing on future projects for new product development and improvement of existing product lines.

## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

### Three Months Ended June 30, 2007 compared to Three Months Ended June 30, 2006.

Our revenues increased during the quarter ended June 30, 2007, to \$3,387,617 from \$624,277 for the quarter ended June 30, 2006, primarily as a result of increased business from our acquisitions.

Our cost of goods increased in the quarter ended June 30, 2007, as compared to June 30, 2006, to \$1,643,579 from \$383,796. The difference was partly as a result of increased sales, costs of goods included from acquisitions and raw material price increases.

General and administrative expenses increased to \$1,737,758 in the quarter ended June 30, 2007, from \$269,429 for the quarter ended June 30, 2006. This was due to a substantial increase in legal and accounting fees related to acquisitions, Securities and Exchange Commission regulations compliance, increased operational costs from new acquisitions, acquisition audits, amortization and other one time costs relating to the acquisitions.

Six Months Ended June 30, 2007 compared to Six Months Ended June 30, 2006.

Our revenues increased during the six months ended June 30, 2007, to \$4,555,637 from \$1,255,181 for the six months ended June 30, 2006, primarily as a result of increased business from our acquisitions.

Our cost of goods increased in the six months ended June 30, 2007, as compared to June 30, 2006, to \$2,400,567 from \$759,786. The difference was partly as a result of increased sales, costs of goods included from acquisitions and raw material price increases.

General and administrative expenses increased to \$2,115,500 in the six months ended June 30, 2007, from \$357,030 for the six months ended June 30, 2006. This was due to a substantial increase in legal and accounting fees related to acquisitions, Securities and Exchange Commission regulations compliance, increased operational costs from new acquisitions, acquisition audits, amortization and other one time costs relating to the acquisitions.

Our cash resources on June 30, 2007, were \$1,885,433, with accounts receivable of \$1,402,013 and inventory of \$598,987. We have relied on revenues and sales of securities for cash resources.

### **Off-Balance Sheet Arrangements**

We have no off balance sheet arrangements as of June 30, 2007.

### **Forward-looking Statements**

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of our Company. Our Company and our representatives may from time to time make written or oral statements that are forward-looking, including statements contained in this Annual Report and other filings with the Securities and Exchange Commission and in reports to our Company's stockholders. Management believes that all statements that express expectations and projections with respect to future matters, as well as from developments beyond our Company's control including changes in global economic conditions are forward-looking statements within the meaning of the Act. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and business performance. There can be no assurance, however, that management's expectations will necessarily come to pass. Factors that may affect forward-looking statements include a wide range of factors that could materially affect future developments and performance, including the following:

Changes in Company-wide strategies, which may result in changes in the types or mix of businesses in which our Company is involved or chooses to invest; changes in U.S., global or regional economic conditions, changes in U.S. and global financial and equity markets, including significant interest rate fluctuations, which may impede our Company's access to, or increase the cost of, external financing for our operations and investments; increased competitive pressures, both domestically and internationally, legal and regulatory developments, such as regulatory actions affecting environmental activities, the imposition by foreign countries of trade restrictions and changes in international tax laws or currency controls; adverse weather conditions or natural disasters, such as hurricanes and earthquakes, labor disputes, which may lead to increased costs or disruption of operations.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.



**Item 3(a)T. Controls and Procedures.**

**Management's annual report on internal control over financial reporting**

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our President and Secretary, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our President and Secretary concluded that information required to be disclosed is recorded, processed, summarized and reported within the specified periods and is accumulated and communicated to management, including our President and Secretary, to allow for timely decisions regarding required disclosure of material information required to be included in our periodic Securities and Exchange Commission reports. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our President and Secretary have concluded that our disclosure controls and procedures are effective to a reasonable assurance level of achieving such objectives. However, it should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, we reviewed our internal controls over financial reporting, and there have been no changes in our internal controls or in other factors in the last fiscal quarter that has materially affected our internal controls over financial reporting.

**Changes in internal control over financial reporting**

We have had no changes in internal control over financial reporting during the quarter ended June 30, 2007.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings.**

None; not applicable.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

**Recent Sales of Unregistered Securities**

Unregistered Securities sold during the quarter ended June 30, 2007:

To whom	Date	Number of shares	Consideration
Sales to accredited investors	4/30/2007	465,969	\$.75 per share
Employees	5/2/2007	285,000	Services
Consultant	5/2/2007	50,000	Services
V Finance Investments	5/2/2007	35,000	Services
Sales to accredited investors	6/27/2007	133,334	\$.75 per share

We issued all of these securities to persons who were either accredited investors, or sophisticated investors who, by reason of education, business acumen, experience or other factors, were fully capable of evaluating the risks and merits of an investment in our company; and each had prior access to all material information about us. We believe that the offer and sale of these securities were exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), pursuant to Sections 4(2) and 4(6) thereof, and Rule 506 of Regulation D of the Securities and Exchange Commission and from various similar state exemptions.

On June 29, 2007, Reflect Scientific pursuant to the securities purchase agreement sold to five institutional investors convertible debentures in the aggregate principal amount of \$2,500,000 and stock purchase warrants exercisable over a five year period for 3,846,154 shares of common stock (the Warrants) in a private placement. All purchasers are accredited investors and a form D was filed covering this transaction.

**Use of Proceeds of Registered Securities**

None; not applicable.

**Purchases of Equity Securities by Us and Affiliated Purchasers**

SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased Under the Plans or Programs
Month #1 April 1, 2007 through April 30, 2007	None	None	None	None
Month #2 May 1, 2007 through May 31, 2007	None	None	None	None
Month #3 June 1, 2007 through June 30, 2007	None	None	None	None
Total	None	None	None	None

**Item 3. Defaults Upon Senior Securities.**

None; not applicable.

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

None; not applicable.

**Item 5. Other Information.**

(a) None; not applicable.

(b) Nominating Committee

During the quarterly period ended June 30, 2007, there were no changes in the procedures by which security holders may recommend nominees to our Board of Directors.

**Item 6. Exhibits**

(a) Exhibits.

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Exhibit No.	Title of Document	Location if other than attached hereto
3.1	Articles of Incorporation	10-SB Registration Statement*
3.2	Articles of Amendment to Articles of Incorporation	10-SB Registration Statement*
3.3	By-Laws	10-SB Registration Statement*
3.4	Articles of Amendment to Articles of Incorporation	8-K Current Report dated December 31, 2003*
3.5	Articles of Amendment to Articles of Incorporation	8-K Current Report dated December 31, 2003*
3.6	Articles of Amendment	September 30, 2004 10-QSB Quarterly Report*
3.7	By-Laws Amendment	September 30, 2004 10-QSB Quarterly Report*
4.1	Debenture	8-K Current Report dated June 29, 2007*
4.2	Form of Purchasers Warrant	8-K Current Report dated June 29, 2007*
4.3	Registration Rights Agreement	8-K Current Report dated June 29, 2007*
4.4	Form of Placement Agreement	8-K Current Report dated June 29, 2007*
10.1	Securities Purchase Agreement	8-K Current Report dated June 29, 2007*
10.2	Placement Agent Agreement	8-K Current Report dated June 29, 2007*
14	Code of Ethics	December 31, 2003 10-KSB Annual Report*
21	Subsidiaries of the Company	December 31, 2004 10-KSB Annual Report*
31.1	302 Certification of Kim Boyce	
31.2	302 Certification of Kevin Cooksy	
32	906 Certification	

**Exhibits**

**Additional Exhibits Incorporated by Reference**

*	Reflect California Reorganization	8-K Current Report dated December 31, 2003
*	JMST Acquisition	8-K Current Report dated April 4, 2006
*	Cryomastor Reorganization	8-K Current Report dated June 27, 2006
*	Image Labs Merger Agreement Signing	8-K Current Report dated November 15, 2006
*	All Temp Merger Agreement Signing	8-K Current Report dated November 17, 2006
*	All Temp Merger Agreement Closing	8-KA Current Report dated November 17, 2006
*	Image Labs Merger Agreement Closing	8-KA Current Report dated November 15, 2006

\* Previously filed and incorporated by reference.

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the Registrant has caused this Quarterly Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**REFLECT SCIENTIFIC, INC.**

*Date: August 17, 2007*

*By: /s/Kim Boyce  
Kim Boyce, President and Director*

*Date: August 17, 2007*

*By: /s/Tom Tait  
Tom Tait, Vice President and Director*

*Date: August 17, 2007*

*By: /s/Kevin Cooksy  
Kevin Cooksy, Secretary/Treasurer*