UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2014

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 0-12305

REPRO-MED SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

New York	13-3044880
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
24 Carpenter Road, Chester, New York	10918
(Address of principal executive offices)	(Zip Code)

(845) 469-2042
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

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

As of October 15, 2014, 38,081,667 shares of common stock, $.01 par value per share, were outstanding.

REPRO-MED SYSTEMS, INC.
TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

REPRO-MED SYSTEMS, INC.
BALANCE SHEETS

	August 31, 2014 Unaudited	February 28, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,242,264	$ 2,227,398
Certificates of deposit	259,219	258,590
Accounts receivable less allowance for doubtful accounts of $30,950 and $26,450 for August 31, 2014 and February 28, 2014, respectively	1,616,796	1,744,813
Inventory	1,440,517	818,723
Prepaid expenses	274,656	245,767
Total Current Assets	5,833,452	5,295,291
PROPERTY & EQUIPMENT, net	1,112,259	839,059
OTHER ASSETS		
Patents, net of accumulated amortization of $125,749 and $119,436 at August 31, 2014 and February 28, 2014, respectively	116,926	43,305
Other	31,053	31,053
Total Other Assets	147,979	74,358
TOTAL ASSETS	$ 7,093,690	$ 6,208,708
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Deferred capital gain - current portion	$ 22,481	$ 22,481
Accounts payable	432,377	246,622
Accrued expenses	394,897	263,465
Accrued payroll and related taxes	75,300	72,976
Accrued tax liability	43,269	166,358
Total Current Liabilities	968,324	771,902
OTHER LIABILITIES		
Deferred capital gain - less current portion	78,696	89,936
Deferred tax liability	155,000	155,000
Total Other Liabilities	233,696	244,936
TOTAL LIABILITIES	1,202,020	1,016,838
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, 50,000,000 shares authorized, 40,356,667 and 38,936,667 shares issued; 38,081,667 and 36,661,667 shares outstanding at August 31, 2014, and February 28, 2014, respectively	403,567	389,367
Additional paid-in capital	3,855,094	3,512,294
Retained earnings	1,845,009	1,483,959
	6,103,670	5,385,620
Less: Treasury stock, 2,275,000 shares at cost	(142,000)	(142,000)
Deferred compensation cost	(70,000)	(51,750)
Total Stockholders' Equity	5,891,670	5,191,870
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,093,690	$ 6,208,708

The accompanying notes are an integral part of these Financial Statements

REPRO-MED SYSTEMS, INC.
STATEMENTS OF OPERATIONS (UNAUDITED)

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2014	**2013**	**2014**	**2013**
NET SALES	$ 2,504,854	$ 2,007,958	$ 5,141,875	$ 3,884,344
COST AND EXPENSE				
Cost of goods sold	868,317	807,891	1,979,088	1,515,328
Selling, general and administrative	1,088,059	963,789	2,182,124	1,914,948
Research and development	158,424	43,116	289,820	80,870
Depreciation and amortization	70,990	57,590	130,680	112,527
TOTAL COSTS AND EXPENSES	2,185,790	1,872,386	4,581,712	3,623,673
NET OPERATING PROFIT	319,064	135,572	560,163	260,671
OTHER INCOME/(EXPENSES)				
Gain (Loss) currency exchange	(11,559)	72	(9,715)	(10,990)
Interest expense	(512)	(100)	(512)	(4,547)
Interest and other income	1,706	2,395	2,915	4,446
TOTAL OTHER INCOME/(EXPENSE)	(10,365)	2,367	(7,312)	(11,091)
NET PROFIT BEFORE TAXES	308,699	137,939	552,851	249,580
Provision for Income Taxes	(105,705)	(47,230)	(191,801)	(85,517)
NET INCOME	$ 202,994	$ 90,709	$ 361,050	$ 164,063
NET INCOME PER SHARE				
Basic	$ 0.01	—	$ 0.01	$ —
Diluted	$ 0.01	—	$ 0.01	$ —
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	37,342,537	36,661,667	37,212,102	36,661,667
Diluted	37,342,537	36,661,667	37,212,102	36,661,667

The accompanying notes are an integral part of these Financial Statements

REPRO-MED SYSTEMS, INC.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Six Months Ended	
	August 31, 2014	**August 31, 2013**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 361,050	$ 164,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred compensation cost	65,750	80,100
Depreciation and amortization	130,680	112,527
Deferred capital gain - building lease	(11,240)	(11,238)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	128,017	72,138
(Increase) decrease in inventory	(621,794)	43,297
Increase in prepaid expense	(28,889)	(35,226)
Decrease in other assets	—	29,400
Increase in accounts payable	185,755	138,282
Increase in accrued payroll and related taxes	2,324	8,509
Increase in accrued expense	131,432	14,402
Decrease in accrued tax liability	(123,089)	(118,255)
NET CASH PROVIDED BY OPERATING ACTIVITIES	219,996	497,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(397,567)	(132,996)
Purchase of certificates of deposit	(629)	(913)
Payments for patents	(79,934)	(20,539)
NET CASH USED IN INVESTING ACTIVITIES	(478,130)	(154,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable to related parties	—	(437,832)
Payments on notes payable	—	(1,474)
Proceeds from sale of securities, net of legal and other fees of $15,000	273,000	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	273,000	(439,306)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,866	(95,755)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,227,398	1,930,321
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,242,264	$ 1,834,566
Supplemental Information		
Cash paid during the periods for:		
Interest	$ 512	$ 4,547
Taxes	$ 314,891	$ 203,773
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Issuance of common stock as compensation	$ 84,000	$ —

The accompanying notes are an integral part of these Financial Statements

REPRO-MED SYSTEMS, INC.
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE NATURE OF OPERATIONS

Repro-Med Systems, Inc. (the "Company") designs, manufactures, and markets proprietary medical devices primarily for the ambulatory infusion market and emergency medical applications. The FDA regulates these products. We use the d/b/a (doing business as) name RMS Medical Products, and use RMS as part of the branding of some products.

BASIS OF PRESENTATION

The accompanying unaudited financial statements as of August 31, 2014 have been prepared in accordance with generally accepted accounting principles in accordance with instructions to regulation S-X. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for complete financial presentation.

In the opinion of the Company's management, the financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as of August 31, 2014, and the results of operations and cash flow for the three-month and six-month periods ended August 31, 2014, and 2013.

The results of operations for the three months and six months ended August 31, 2014, and 2013 are not necessarily indicative of the results to be expected for the full year. These interim financial statements should be read in conjunction with the financial statements and notes thereto of the Company and management's discussion and analysis of financial condition and results of operations included in the Company's Annual Report for the year ended February 28, 2014, as filed with the Securities and Exchange Commission on Form 10-K.

EMPLOYEE STOCK AWARDS

In July 2012, 1,465,000 shares were authorized to issue to employees as share compensation valued at $0.18 per share, the market value on the date of the board authorization. The value of these shares was amortized into operations over the one to two year restriction on the shares. Amortization amounted to $25,875 and $38,925 for the three-months ended August 31, 2014, and August 31, 2013, respectively; and $51,750 and $80,100 for the six-months ended August 31, 2014, and August 31, 2013, respectively. Vesting of all shares was completed on August 31, 2014.

CONSULTING AGREEMENT WITH DIRECTOR

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM60® Syringe Infusion System. Authorized by the Board of Directors, the agreement provides for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period. Amortization amounted to $7,000 and $14,000 for the three-months and six-months ended August 31, 2014, respectively. In August 2014, Dr. Baker was paid a previously approved bonus of $25,000 assist him in covering taxes due on the grant of common stock.

SALE OF COMMON STOCK AND WARRANTS

On August 8, 2014, the Company executed an agreement with Horton Capital Partners Fund, an institutional investor based in Philadelphia, PA, to sell one million shares of our common stock and warrants to purchase an additional one million shares of common stock at an exercise price of $0.45 per share. The aggregate purchase price was $288,000. Fees associated with this transaction totaled $15,000, for net proceeds of $273,000.

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Important estimates include, but are not limited to, asset lives, valuation allowances, inventory, and accruals.

LEGAL PROCEEDINGS

We commenced a declaratory judgment action in 2013 to establish the invalidity and non-infringement of claims of a patent of a competitor that alleged that our needle sets would infringe. The defendant answered the complaint and asserted various counterclaims that we believe are without merit. We subsequently added claims against the defendant to show that the defendant had engaged in various unfair business practices. The litigation is in early stage discovery.

SUBSEQUENT EVENTS EVALUATION

The Company has evaluated subsequent events through October 15, 2014, the date on which the financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements.

EMERGING ACCOUNTING STANDARDS

In June 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers". The update gives entities a single comprehensive model to use in reporting information about the amount and timing of revenue resulting from contracts to provide goods or services to customers. The ASU, which would apply to any entity that enters into contracts to provide goods or services, would supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. Additionally, the update would supersede some cost guidance included in Subtopic 605-35, Revenue Recognition – Construction-Type and Production-Type Contracts. The update removes inconsistencies and weaknesses in revenue requirements and provides a more robust framework for addressing revenue issues and more useful information to users of financial statements through improved disclosure requirements. In addition, the update improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The update is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The Company is currently reviewing the provisions of this ASU to determine if there will be any impact on its results of operations, cash flows or financial condition.

Management does not believe that any of the other standards adopted by the Financial Accounting Standards Board, but which are not yet effective, will have a material effect on the Company's financial reporting.

LEASED AIRCRAFT

The Company leases an aircraft from a company controlled by the president. The lease payments aggregated were $5,375 for the three months ended August 31, 2014, and August 31, 2013, and $10,750 for the six months ended August 31, 2014, and August 31, 2013. The original lease agreement has expired and the Company is currently on a month-to-month basis for rental payments.

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

This Quarterly Report on Form 10-Q contains certain "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and information relating to us that are based on the beliefs of the management, as well as assumptions made and information currently available. Our actual results may vary materially from the forward-looking statements made in this report due to important factors such as uncertainties associated with future operating results, unpredictability related to Food and Drug Administration regulations, introduction of competitive products, limited liquidity, reimbursement related risks, government regulation of the home health care industry, success of the research and development effort, market acceptance of FREEDOM60®, availability of sufficient capital to continue operations, and dependence on key personnel. When used in this report, the words "estimate," "project," "believe," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect current views with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. These statements involve risks and uncertainties with respect to the ability to raise capital to develop and market new products, acceptance in the marketplace of new and existing products, ability to penetrate new markets, our success in enforcing and obtaining patents, obtaining required Government approvals and attracting and maintaining key personnel that could cause the actual results to differ materially. Repro-Med does not undertake any obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THREE MONTHS ENDED AUGUST 31, 2014 VS. AUGUST 31, 2013

Net sales increased 24.7% overall from $2,007,958 in the quarter ended August 31, 2013, to $2,504,854 in the quarter ended August 31, 2014. This was due to an increase in sales of the FREEDOM60® Syringe Infusion System and RMS High-Flo™ Subcutaneous Safety Needle Sets sales, quarter over quarter, in both domestic and international markets. RES-Q-VAC sales softened as the Company continued to concentrate its sales resources on infusion markets.

Net Operating Profit was $319,064 for the quarter ended August 31, 2014, as compared with $135,572 during the same period last year. This change is attributable to the increase in sales, which was partially offset by increases in cost of goods sold, increased R&D investment, increased sales and administrative costs, and legal costs associated with the engagement of Dechert LLP and other firms to strengthen our patent positions and represent us in litigation. The rapid weakening of the Euro also resulted in a small foreign exchange loss of $11,559 as compared to a gain of $72 in 2013. Net income increased from $90,709 for the quarter ended August 31, 2013, to $202,994 for the quarter ended August 31, 2014.

Selling, General and Administrative costs increased from $963,789 in 2013 to $1,088,059 in 2014 due, in part, to the expansion of the sales staff with the addition of a full-time representative in Europe and legal costs associated with the engagement of Dechert LLP and other firms to review and strengthen our patent and litigation positions, partially offset by a reduction in the amortization of costs associated with the 2012 employee stock awards.

Cost of goods sold increased $60,426, or 7.5%, from $807,891 to $868,317 due to an increase in sales. The gross profit margin increased this quarter to 65.3% compared with 59.8% for the same quarter in 2013, due, in part, to increases in inventory levels.

Research and Development expenses increased $115,308, or 267.4%, from $43,116 in 2013 to $158,424 as a result of increased investment in new product development.

Depreciation and amortization expenses increased by $13,400 from $57,590 in 2013 to $70,990 in 2014 due to increased investment in capital and intellectual assets, including new equipment purchases, facility upgrades and patents associated with new products.

SIX MONTHS ENDED AUGUST 31, 2014 VS. AUGUST 31, 2013

Net sales increased 32.4% overall from $3,884,344 for the six-month period ended August 31, 2013, to $5,141,875 in the six-month period ended August 31, 2014. The Company's sales improved in both domestic and international markets, with sales increasing in both the FREEDOM60® and RMS HIgH-Flo™ product lines. Despite an increase in international RES-Q-VAC sales, overall sales in this product line declined as domestic demand softened and the Company continued to focus its sales efforts on higher growth infusion products.

Net Operating Profit was $560,163 for the six months ended August 31, 2014, as compared with $260,671 during the same period last year. This change is attributable to the increase in sales, which was partially offset by increases in cost of goods sold, substantially increased R&D investment, increased sales and administrative costs, and legal costs associated with the engagement of Dechert LLP and other firms to strengthen our patent positions and represent us in litigation. Despite the weakening of the Euro toward the end of the second quarter, currency exchange losses narrowed to $9,715 in 2014 from $10,990 in 2013. Net income increased from $164,063 to $361,050 in the six-month period ended August 31, 2014.

Selling, General and Administrative costs increased from $1,914,948 in 2013 to $2,182,124 in 2014 due, in part, to the expansion of the sales staff with the addition of a full-time representative in Europe and higher benefit costs, partially offset by a reduction in the amortization of costs associated with the 2012 employee stock awards.

Cost of goods sold increased $463,760, or 30.6%, from $1,515,328 to $1,979,088 due to an increase in sales, increases in production and quality assurance staff, increased overtime, higher benefit costs and a change in product mix. The gross profit margin increased for the six-month period ended August 31, 2014 to 61.5% compared to 61.0% for the same period in 2013.

Interest expense decreased to $512 in 2014 from $4,547 for the comparative six-month period in 2013 as a result of retirement of long-term debt in 2013.

Research and Development expenses increased $208,950, or 258.4%, from $80,870 in 2013 to $289,820 because of increased investment in development of new products.

Depreciation and amortization expenses increased by $18,153 from $112,527 in 2013 to $130,680 in 2014 due to increased investment in capital and intellectual assets, including new equipment purchases, facility upgrades and patents associated with new products.

LIQUIDITY AND CAPITAL RESOURCES

Net Cash provided from Operations was $219,996 for the six months ended August 31, 2014, as compared with net cash provided by operations of $497,999 for the previous six months ended August 31, 2013. This change is primarily due to a decrease in accrued taxes and a large increase in inventory levels, partially offset by increases in accounts payable, accrued expenses and a decrease in accounts receivable. Our net cash position remained basically unchanged.

Net cash from financing had a net change of $712,306. In 2014, we received net cash proceeds of $273,000 from the sale of common stock, while in 2013 we expended $439,306 to retire high interest debt.

During the six month period, we invested heavily in facility upgrades, new production equipment and patent protection for products in development. We also opened a second cleanroom in June.

As a result of our revenues from operations and our available capital at the end of this period, we expect to meet or exceed the Company’s liquidity needs for the next twelve months.

MANAGEMENT CHANGES

As of June 9, 2014, Mike R. Boscher, Chief Financial Officer, is no longer associated with the Company. Barry Short, 54, who had been serving as the Company’s Director of Administration, was promoted to the position of Interim Chief Financial Officer.

On June 9, 2014, the Company created the new position of Chief Operating Officer. Rick McWhorter, 66, who had been serving as a management consultant to the Company, was appointed to the position on an interim basis.

BRANDING AND RECOGNITION

We continue to enhance marketing effects with an expanded schedule of advertising for our product lines in appropriate industry publications on a monthly basis. The Company also exhibited at several infusion and EMS trade shows in the first and second quarters of the fiscal year. We have also expanded our patient and provider outreach efforts.

FREEDOM60®

The FREEDOM60® Syringe Infusion Pump is designed for ambulatory medication infusions. For the home care patient, FREEDOM60® is an easy-to-use lightweight mechanical pump using a 60ml syringe, completely portable, cost effective and maintenance free, with no batteries to replace and no cumbersome IV pole. For the infusion professional, FREEDOM60® delivers accurate infusion rates and uniform flow profiles providing consistent transfer of medication.

The FREEDOM60® is popular in the treatment of Primary Immune Deficiency by injecting immune globulin (IgG) under the skin as a subcutaneous administration (SCIg). This method has provided patients with vastly improved quality of life with much fewer unpleasant side effects over the traditional intravenous route. The FREEDOM60® is an ideal system for this administration since the patient is able to self-medicate at home. The pump is easily configured for this application, and the FREEDOM60® is the lowest cost infusion system available in a heavily cost constrained market. We have advertised to the IgG market that FREEDOM60® operates in "dynamic equilibrium," that is, the pump finds and maintains a balance between what a patient's subcutaneous tissues are able to manage and what the pump infuses. This balance is created by a safe, limited, and controlled pressure, which adjusts the flow rate automatically to the patient's needs providing a reliable, faster, and more comfortable administration with fewer side effects for those patients.

We have expanded the use of the FREEDOM60® to cover antibiotics including the widely used and somewhat difficult to administer Vancomycin and beta lactams with longer infusion times. We have also found a following for FREEDOM60® for use in treating thalassemia with the drug Desferal®. In Europe, we found success in using the FREEDOM60® for pain control, specifically post-operative epidural pain administration. Our European market also uses the FREEDOM60® for chemotherapy as well as subcutaneous immune globulin.

RMS HIGH-FLO™ SUBCUTANEOUS SAFETY NEEDLE SET ADDITION TO FREEDOM60® PRODUCT LINE

We received approval from the U.S. Food and Drug Administration (FDA) on May 20, 2011, for domestic marketing of our new subcutaneous needle administration set. Previously available internationally, the needle set is branded the RMS High-Flo™ Subcutaneous Safety Needle Set.

On June 5, 2012, we announced that the results of an Active Controlled Clinical Simulated Use Study confirmed that RMS High-Flow™ Subcutaneous Needle Sets are "safety sets." The sets' butterfly wing closures encase needles after use and help to protect against accidental needle stick injuries, an area of concern to the medical community. The sets were renamed to RMS High-Flo™ Subcutaneous Safety Needle Sets to reflect the safety feature.

The FDA cleared a 510(k) on May 6, 2013, for enhancements to the RMS Subcutaneous Safety Needle Sets which included formally recognizing our clinical studies to support the safety needle set claim, additional lengths of 4mm and 14mm, use for greater than 24 hours, non-pyrogenic claims, the use of up to eight sites, and the 24 gauge needle.

The RMS High-Flo™ Subcutaneous Safety Needle Set was developed as an improvement in performance and safety over similar devices. Our design permits drug flows which are the same or faster than those achieved with larger gauge needles currently on the market. Offered in needle lengths of 4mm, 6mm, 9mm, 12mm and 14mm, the sets are available in combinations for single, double, triple, quadruple, penta and hexa infusions. Using a Low Residual "Y" Connector, needle sets can deliver to as many as eight infusion sites.

THE MARKET FOR INFUSION PUMPS & DISPOSABLES

The ambulatory infusion market has been rapidly changing due to reimbursement issues. Insurance reimbursement has drastically reduced the market share of high-end electronic type delivery systems as well as high-cost disposable non-electric devices, providing an opportunity for the FREEDOM60®. We believe market pressures have moved providers to consider alternatives to expensive electronic systems especially for new subcutaneous administrations that usually cannot be done with gravity. Due to cost concerns, some patients have been trained to administer intravenous drugs through IV push where the drug is pushed into the vein directly from a syringe. This is a low-cost option but has been associated with complications and is considered by many to be a high-risk procedure. Thus, the overall trend has been towards syringe pumps due to the low cost of disposables.

IMPORTANCE OF INSURANCE REIMBURSEMENT TO FREEDOM60® SALES

In order to receive more favorable Medicare reimbursement for our FREEDOM60® Syringe Infusion System, we had submitted a formal request for a HCPCS coding verification with the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC). It was the determination that the Medicare HCPCS code(s) to bill the four Durable Medical Regional Carriers (DMERCs) should be: "E0779 Ambulatory infusion pump, mechanical, reusable, for infusion 8 hours or greater." The new code significantly increases the reimbursement for the FREEDOM60® for billable syringe pump application approved by Medicare. Current approved uses under Medicare include among others, subcutaneous immune globulin, antivirals, antifungals, and chemotherapeutics.

All possible effects, if any, of the federal government's Public Law 111-148, The Patient Protection and Affordable Care Act, on reimbursements for infusion pumps and related supplies and services cannot be stated with certainty at this time.

COMPETITION FOR THE FREEDOM60®

Competition for the FREEDOM60® for IgG consists mostly of electrically powered infusion devices that are more costly and can create high pressures during delivery that can cause complications for the administration of IgG. However, there can be no assurance that other companies with greater resources will not enter the market with competitive products that will have an adverse effect on our sales.

In expanded uses beyond SCIg, competition for FREEDOM60® would come from gravity bags and elastomeric pumps in addition to electric/electronic pumps.

There is the potential for new drugs to enter the market, such as using Hyaluronidase, which can facilitate absorption of IgG, making multiple site infusions unnecessary and changing the market conditions for devices such as the FREEDOM60®. We believe the principle behind the FREEDOM60® is ideal for all these new drug combinations, but there can be no assurance that these newer drugs will have the same needs and requirements as the current drugs being used.

There can be no assurance that Medicare will continue to provide reimbursement for the FREEDOM60®, or they may allow reimbursement for other infusion pumps that are currently in the market or new ones that may enter shortly, which could adversely affect our sales into this market.

There is a mechanical pump, manufactured by a competitor, which we do not believe to have FDA clearance. The new pump uses a prior design of a simple coil spring which does not create a constant pressure and which had been removed from the market several years ago. The competitor offering this product is also representing that it is capable of manufacturing lower cost accessories which can be used with the FREEDOM60®. We have recommended that our customers use RMS tubing and needle sets exclusively for best performance, accuracy and safety. We are currently involved in legal proceedings with such competitor involving various claims and counter claims.

RES-Q-VAC® PORTABLE MEDICAL SUCTION

The RES-Q-VAC® Emergency Airway Suction System is a lightweight, portable, hand-operated suction device that removes fluids from a patient's airway by attaching the RES-Q-VAC® pump to various proprietary sterile and non-sterile single-use catheters sized for adult and pediatric suctioning. The one-hand operation makes it extremely effective and the product is generally found in emergency vehicles, hospitals and wherever portable aspiration is a necessity, including backup support for powered suction systems. The Full Stop Protection® filter (FSP) and disposable features of the RES-Q-VAC® reduce the risk of exposing health professionals to HIV or SARS when suctioning a patient or during post treatment cleanup. All of the parts that connect to the pump are disposable.

A critical component and advantage of the RES-Q-VAC® system is our Full Stop Protection® filter, a patented filtering system that both prevents leakage and overflow of the aspirated fluids, even at full capacity, and traps virtually all airborne and fluid-borne pathogens and potentially infectious materials within the sealable container. This protects users from potential exposure to disease and contamination. The Full Stop Protection® meets the requirement of the Occupational Safety and Health Administration 'Occupational Exposure to Bloodborne Pathogens' CFR29 1910.1030. The Company has received a letter from OSHA confirming that the RES-Q-VAC® with the Full Stop Protection® falls under the engineering controls of the Bloodborne Pathogen regulation and that the product's use would fulfill the regulatory requirements.

Recent concerns are for diseases that are easily transmitted by small aerosolized droplets such as Asian Bird Flu, Swine Flu, and resistant tuberculosis. Other concerns are hepatitis and HIV, among others.

One advantage of our RES-Q-VAC® airway suction system is versatility. With the addition of Full Stop Protection®, we created specific custom RES-Q-VAC® kits for various vertical markets:

Emergency Medicine - we make several special kits for emergency use, which contain all the catheters necessary to treat adults as well as infants or children. These first responder kits are generally non-sterile. We also have special attachments available for the advanced paramedic to treat patients who are intubated.

Respiratory - in-home care, long-term care, situations requiring frequent suctioning such as cystic fibrosis patients, patients with swallowing disorders, elderly, patients on ventilators and with tracheostomies all benefit from the portability, cost and performance of the RES-Q-VAC®. In hospitals, the RES-Q-VAC® provides emergency backup due to power loss or breakdown of the wall suction system.

Hospital Use - for crash carts, the emergency room, patients in isolation, patient transport (e.g., from ICU to Radiology) and backup for respiratory, RES-Q-VAC® is available sterile with Full Stop Protection® for the ultimate in performance and to meet all the OSHA regulations and CDC guidelines for use in treating patients in isolation, and in any location. Hospitals are required under the EMTALA regulations to provide emergency treatment to patients anywhere in the primary facility and up to 250 yards away. The RES-Q-VAC® ensures full compliance with these regulations and helps minimize unfavorable outcomes and potential lawsuits. We provide special hospital kits, which are fully stocked to meet all hospital applications for both adult and pediatric.

Nursing Homes, Hospice, Sub-acute - we provide special configurations for dining areas and portable suctioning for outside events and travel. Chronic suction can be accommodated with RES-Q-VAC®, which can be left by the bedside for immediate use during critical times.

Dental Applications - we offer a version of the RES-Q-VAC®, called DENTAL-EVAC, which addresses the needs of oral surgeons for emergency backup suction during a procedure. DENTAL-EVAC is supplied with the dental suction attachments such as saliva ejector and high volume evacuator.

Military Applications - due to its lightweight, portability, and rapid deployment, we believe that the RES-Q-VAC® is ideal for any military situation. In addition, exposure to chemical weapons of mass destruction such as Sarin is best treated by rapid, aggressive, and repeated suctioning. We believe that the RES-Q-VAC®'s compact size, powerful pump, and full protection of the user from any contamination, gives us a competitive edge in this market.

We continue actively pursuing a direct sales effort into the hospital market and continue our effort into nursing homes working with direct sales and several regional distributors in the respiratory market. We also work with national regional distributors who are well represented in the hospital respiratory market.

COMPETITION FOR THE RES-Q-VAC®

We believe that the RES-Q-VAC® is currently the performance leader for manual, portable suction instruments. In the emergency market, the primary competition is the V-Vac™ from Laerdal. The V-Vac™ is more difficult to use, cannot suction infants, and cannot be used while wearing heavy gloves such as in chemical warfare or in the extreme cold. Laerdal has more resources than Repro-Med Systems and had begun marketing the V-Vac™ before RES-Q-VAC® entered the market. Another competitor is Ambu, with the Res-Cue brand pump, a product similar to our design, made in China. We believe that the product is not as well made or as versatile, and may not be purchased by the military segment of the market due to lines of supply concerns. We believe that the addition of Full Stop Protection® substantially separates the RES-Q-VAC® from competitive units, which tend to leak fluid when becoming full or could pass airborne pathogens during use. There is a heightened concern from healthcare professionals concerning exposure to disease and we believe the RES-Q-VAC® provides improved protection for these users.

PART I – ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

PART I – ITEM 4. CONTROLS AND PROCEDURES.

The Company's management, including the Company's Principal Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as such is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon their evaluations, the Principal Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the "SEC") (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) is accumulated and communicated to the Company's management, including its Principal Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the quarter ended August 31, 2014, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We commenced a declaratory judgment action in 2013 to establish the invalidity and non-infringement of claims of a patent of a competitor that alleged that our needle sets would infringe. The defendant answered the complaint and asserted various counterclaims that we believe are without merit. We subsequently added claims against the defendant to show that the defendant had engaged in various unfair business practices. The litigation is in early stage discovery.

ITEM 1A. RISK FACTORS.

Not required for smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On December 20, 2013, we executed an agreement effective March 1, 2014, with a Company director, Dr. Mark Baker, to provide clinical research and support services related to new and enhanced applications for the FREEDOM60® Syringe Infusion System. Authorized by the Board of Directors, the agreement provides for payment of 420,000 shares of common stock valued at $0.20 per share over a three-year period.

On August 8, 2014, we executed an agreement with Horton Capital Partners Fund, an institutional investor based in Philadelphia, PA, to sell one million shares of our common stock and warrants to purchase an additional one million shares of common stock at an exercise price of $0.45 per share. The aggregate purchase price was $288,000.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

31.1 Certification of Principal Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act 2002

31.2 Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act 2002

32.1 Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act 2002

32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act 2002

101* Interactive Data Files of Financial Statements and Notes.

* In accordance with Regulation S-T, the Interactive Data Files in Exhibit 101 to the Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed".

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REPRO-MED SYSTEMS, INC.

October 15, 2014 /s/ Andrew I. Sealfon
Andrew I. Sealfon, President, Chairman of the Board, Director, Principal Executive Officer

October 15, 2014 /s/ Barry K. Short
Barry K. Short, Treasurer and Chief Financial Officer (Interim)

EXHIBIT 31.1

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER

I, Andrew I. Sealfon, certify that:

1) I have reviewed Form 10-Q of Repro-Med Systems, Inc. (the "Report");

2) Based on my knowledge, this report 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over Financial Reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2014

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Principal Executive Officer

EXHIBIT 31.2

RULE 13A-14(A) / 15D-14(A) CERTIFICATION OF
TREASURER / CHIEF FINANCIAL OFFICER

I, Barry K. Short, certify that:

1) I have reviewed Form 10-Q of Repro-Med Systems, Inc. (the "Report");

2) Based on my knowledge, this report 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 report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over Financial Reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2014

/s/ Barry K. Short
Barry K. Short
Treasurer and Chief Financial Officer (Interim)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Repro-Med Systems, Inc. (the "Company") on Form 10-Q (the "Report") for the period ending August 31, 2014 as filed with the Securities and Exchange Commission , I, Andrew I. Sealfon, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in this report.

Date: October 15, 2014

/s/ Andrew I. Sealfon
Andrew I. Sealfon
Principal Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Repro-Med Systems, Inc. (the "Company") on Form 10-Q (the "Report") for the period ending August 31, 2014 as filed with the Securities and Exchange Commission , I, Barry K. Short, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in this report.

Date: October 15, 2014

/s/ Barry K. Short
Barry K. Short
Treasurer and Chief Financial Officer (Interim)