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CVD EQUIPMENT CORP
Form 10QSB
November 15, 2006

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

Form 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2006

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: 1-16525

CVD EQUIPMENT CORPORATION
(Name of Small Business Issuer in Its Charter)

New York 11-2621692
(State or Other Jurisdiction of
Incorporation or Organization) (I.R.S. Employer Identification No.)

1860 Smithtown Avenue
Ronkonkoma, New York 11779
(Address including zip code of registrant's Principal Executive Offices)

(631) 981-7081
(Issuer's Telephone Number, Including Area Code)

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

Securities registered under Section 12(g) of the Act:
Common Stock, Par value \$0.01
(Title of class)

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 registrant 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 issuer is a large accelerated filer, an
accelerated filer or a non-accelerated filer See definition of
"accelerated filer and large accelerated filer" in Rule 12b-2 of the
Exchange Act). (check one)
Large accelerated filer Accelerated filer Non-accelerated filer

State the number of shares outstanding of each of the issuer's classes
of common equity, as of the latest practicable date: 3,231,000 shares of
Common Stock, \$0.01 par value at November 10, 2006.

CVD EQUIPMENT CORPORATION AND SUBSIDIARY

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Index

| | |
|---|----|
| Part I - Financial Information | |
| Item 1 - Financial Statements (Unaudited) | |
| Consolidated Balance Sheets as of September 30, 2006 (Unaudited) and December 31, 2005 | 2 |
| Comparative Consolidated Statements of Operations (Unaudited) for the three and nine months ended September 30, 2006 and 2005 | 3 |
| Comparative Consolidated Statements of Cash Flows (Unaudited) for the nine months ended September 30, 2006 and 2005 | 4 |
| Notes to Unaudited Consolidated Financial Statements | 5 |
| Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations | 12 |
| Item 3 - Controls and Procedures | 15 |
| Part II - Other Information | 16 |
| Item 1 - Legal Proceedings | 16 |
| Item 2 - Changes in Securities and Use of Proceeds | 16 |
| Item 3 - Defaults Upon Senior Securities | 16 |
| Item 4 - Submission of Matters to a Vote of Security Holders | 16 |
| Item 5 - Other Information | 17 |
| Item 6 - Exhibits and Reports Filed on Form 8-K | 17 |
| Signatures | 18 |
| Exhibit Index | 19 |
| Certification of Chief Executive Officer | 20 |
| Certification of Chief Financial Officer | 21 |
| Certification of Chief Executive Officer pursuant to U.S.C. Section 1350 | 22 |
| Certification of Chief Financial Officer pursuant to U.S.C. Section 1350 | 23 |

PART 1 - FINANCIAL INFORMATION

Item 1 - Financial Statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARY Consolidated Balance Sheets

September 30, 2006
(Unaudited)

| | |
|---|------------|
| Current Assets: | |
| Cash and cash equivalents | \$ 354,480 |
| Accounts receivable, net | 2,187,040 |
| Cost in excess of billings on uncompleted contracts | 591,088 |
| Inventories | 2,660,015 |
| Other current assets | 138,957 |

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| | |
|---|--------------|
| Total current assets | 5,931,580 |
| Property, plant and equipment, net | 4,875,082 |
| Deferred income taxes | 241,774 |
| Other assets | 728,395 |
| Intangible assets, net | 86,079 |
| | ----- |
| | \$11,862,910 |
| | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | |
| Current Liabilities: | |
| Current maturities of long-term debt | \$ 240,913 |
| Short-term notes payable | 125,000 |
| Accounts payable | 669,683 |
| Accrued expenses | 934,535 |
| Accrued professional fees - related party | 20,000 |
| Deferred revenue | 186,560 |
| | ----- |
| Total current liabilities | 2,176,691 |
| Long-term debt, net of current portion | 2,824,349 |
| | ----- |
| Total liabilities | 5,001,040 |
| | ----- |
| Commitments and contingencies | --- |
| Stockholders' Equity | |
| Common stock, par value \$.01 per share, authorized 10,000,000 shares; issued and outstanding, 3,221,000 shares at September 30, 2006 and 3,127,800 shares at December 31, 2005 | 32,210 |
| Additional paid-in capital | 3,307,194 |
| Retained earnings | 3,522,466 |
| | ----- |
| | 6,861,870 |
| | ----- |
| | \$11,862,910 |
| | ===== |