

CVD EQUIPMENT CORP
Form 10-Q
November 14, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(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, 2013

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

(Exact Name of Registrant as specified in its charter)

New York

11-2621692

*(State or Other Jurisdiction of
Incorporation or Organization)*

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

355 South Technology Drive

11722

Central Islip, New York

(Address of principal executive offices) (Zip Code)

(631) 981-7081

(Registrant's telephone number, including area code)

Indicate by check 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. 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 (Section 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 No

Indicate by check mark whether 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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 6,083,895 shares of Common Stock, \$0.01 par value at November 8, 2013.

CVD EQUIPMENT CORPORATION AND SUBSIDIARY

Index

Part I - Financial Information

Item 1 Financial Statements.

Consolidated Balance Sheets (Unaudited) at September 30, 2013 and December 31, 2012 3

Consolidated Statements of Operations (Unaudited) for the three and nine months ended September 30, 2013 and 2012 4

Consolidated Statements of Cash Flows (Unaudited) for the nine months ended September 30, 2013 and 2012 5

Notes to Unaudited Consolidated Financial Statements 6

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations 12

Item 3 Quantitative and Qualitative Disclosures About Market Risk 16

Item 4 Controls and Procedures 16

Part II - Other Information 18

Item 1 Legal Proceedings. 18

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds. 18

Item 3 Defaults Upon Senior Securities. 18

Item 4 Mine Safety Disclosures. 18

Item 5 Other Information. 18

Item 6 Exhibits. 19

Signatures 20

Exhibit Index 21

PART 1 – FINANCIAL INFORMATION

Item 1 – Financial Statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets

(Unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,715,065	\$ 13,721,324
Accounts receivable, net	5,387,947	4,515,124
Costs and estimated earnings in excess of billings on uncompleted contracts	2,323,682	2,730,104
Inventories	3,099,101	2,742,905
Deferred income taxes – current	878,475	189,153
Other current assets	183,587	192,438
Total Current Assets	22,587,857	24,091,048
Property, plant and equipment, net	15,561,217	12,894,154
Construction in progress	6,533	4,051,573
Deferred income taxes – non-current	386,433	568,744
Restricted cash	800,000	800,000
Other assets	66,494	78,128
Intangible assets, net	42,442	41,614
Total Assets	\$ 39,450,976	\$ 42,525,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 720,000	\$ 935,822
Billings in excess of costs and estimated earnings on uncompleted contracts	5,337	475,905
Accounts payable and accrued expenses	2,347,652	2,243,447
Deferred revenue	266,107	335,404
Total Current Liabilities	3,339,096	3,990,578
Long-term debt, net of current portion	4,745,508	7,387,019

Edgar Filing: CVD EQUIPMENT CORP - Form 10-Q

Total Liabilities	8,084,604	11,377,597
Commitments and Contingencies	----	----
Stockholders' Equity		
Common stock - \$0.01 par value – 10,000,000 shares authorized; issued and outstanding, 6,072,245 at September 30, 2013 and 6,046,970 at December 31, 2012	60,722	60,470
Additional paid-in-capital	21,214,156	20,990,891
Retained earnings	10,091,494	10,096,303
Total Stockholders' Equity	31,366,372	31,147,664
Total Liabilities and Stockholders' Equity	\$39,450,976	\$42,525,261

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

CVD EQUIPMENT CORPORATION AND SUBSIDIARY

Consolidated Statements of Operations

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2013	2012	September 30, 2013	2012
Revenue	\$4,706,672	\$4,696,409	\$13,004,297	\$18,945,145
Cost of revenue				