

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

**FORM 10-QSB**

[X] Quarterly Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

For the quarterly period ended  
June 30, 2004

Commission File Number 1-16525

**CVD EQUIPMENT CORPORATION**  
(Exact name of registrant as specified in its charter)

New York  
(State or other jurisdiction  
of incorporation or organization)

11-2621692  
I.R.S. Employer  
Identification No.)

1860 Smithtown Avenue  
Ronkonkoma, New York 11779  
(Address of principal executive office)

Registrant's telephone number, including area code (631) 981-7081

Indicated by check mark whether the Registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities and 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 registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No ☒

As of August 13, 2004 3,039,100 shares of the issuer's common stock, par value \$.01, were outstanding.

# CVD EQUIPMENT CORPORATION AND SUBSIDIARY

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PART 1 - FINANCIAL INFORMATION  
Item 1 - Financial Statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARY  
Consolidated Balance Sheets

	June 30, 2004 (Unaudited)	December 31, 2003
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 555,958	\$ 321,490
Accounts receivable, net	907,838	1,819,744
Cost in excess of billings on uncompleted contracts	541,437	575,734
Inventories	1,818,841	1,425,851
Other current assets	117,470	74,247
	<hr/>	<hr/>
Total current assets	3,941,544	4,217,066
Property, plant and equipment, net	5,275,507	5,400,032
Deferred income taxes	440,362	440,362
Other assets	240,993	144,458
Intangible assets, net	116,463	122,977
	<hr/>	<hr/>
	<u>\$ 10,014,869</u>	<u>\$ 10,324,895</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 207,806	\$ 177,381
Short-term notes payable	-	---
Accounts payable	549,485	520,525
Accrued expenses	726,347	488,011
Billings in excess of costs on uncompleted contracts	---	174,068
	<hr/>	<hr/>
Total current liabilities	1,483,638	1,359,985
Long-term debt, net of current portion	<hr/> 3,237,440	<hr/> 3,336,400
Total liabilities	<hr/> 4,721,078	<hr/> 4,696,385
Commitments and contingencies	---	---
Stockholders' Equity		
Common stock, par value \$.01 per share, authorized 10,000,000 shares; issued and outstanding, 3,039,100 shares	30,391	30,391
Additional paid-in capital	2,902,149	2,902,149
Retained earnings	2,361,251	2,695,970
	<hr/>	<hr/>
	5,293,791	5,628,510
	<hr/>	<hr/>
	<u>\$ 10,014,869</u>	<u>\$ 10,324,895</u>

See notes to the consolidated financial statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARY  
Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
Revenue:				
Revenue on completed contracts	\$ 1,695,323	\$ 1,440,743	\$ 3,531,257	\$ 3,971,524
Revenue on uncompleted contracts	31,275	583,711	387,276	1,680,067
	<u>1,726,598</u>	<u>2,024,454</u>	<u>3,918,533</u>	<u>5,651,591</u>
Costs of Revenue				
Cost on completed contracts	1,158,334	1,351,679	2,508,821	3,482,469
Cost on uncompleted contracts	12,732	518,600	264,310	1,042,095
	<u>1,171,066</u>	<u>1,870,279</u>	<u>2,773,131</u>	<u>4,524,564</u>
Gross profit	<u>555,532</u>	<u>154,175</u>	<u>1,145,402</u>	<u>1,127,027</u>
Operating expenses				
Selling and shipping	164,715	71,922	309,693	425,915
General and administrative	587,255	545,915	1,068,687	1,126,413
Total operating expenses	<u>751,970</u>	<u>617,837</u>	<u>1,378,380</u>	<u>1,552,328</u>
Operating loss	<u>(196,438)</u>	<u>(463,662)</u>	<u>(232,978)</u>	<u>(425,301)</u>
Other income (expense)				
Interest income	236	110	345	234
Interest expense	(53,999)	(60,793)	(110,866)	(123,762)
Other income	7,885	195,954	9,900	263,930
Total other (expense) income	<u>(45,878)</u>	<u>135,271</u>	<u>(100,621)</u>	<u>140,402</u>
Loss before income taxes	(242,316)	(328,391)	(333,599)	(284,899)
Income tax provision	<u>(800)</u>	<u>15,170</u>	<u>(1,120)</u>	<u>-</u>
Net loss	<u>\$ (243,116)</u>	<u>\$ (313,221)</u>	<u>\$ (334,719)</u>	<u>\$ (284,899)</u>
Basic loss per common share	<u>\$ (0.08)</u>	<u>\$ (0.10)</u>	<u>(0.11)</u>	<u>(0.09)</u>
Diluted loss per common share	<u>\$ (0.08)</u>	<u>\$ (0.10)</u>	<u>(0.11)</u>	<u>(0.09)</u>
Weighted average common shares outstanding				
basic loss per share	3,039,100	3,039,100	3,039,100	3,039,100
Effect of potential common share issuance:				
Stock options	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Weighted average common shares outstanding				
diluted loss per share	<u>3,039,100</u>	<u>3,039,100</u>	<u>3,039,100</u>	<u>3,039,100</u>

See notes to the consolidated financial statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARY  
Consolidated Statements of Cash Flows  
(Unaudited)

Six Months Ended June 30

	2004	2003
Cash flows from operating activities		
Net loss	\$ (334,719)	\$ (284,899)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	178,518	180,150
Bad debt provision	(3,691)	1,358
Changes in operating assets and liabilities:		
Accounts receivable	915,597	158,050
Cost in excess of billings on uncompleted contracts	34,297	(359,762)
Inventory	(392,990)	505,638
Other current assets	(43,223)	(17,924)
Other assets	(121,005)	(48,799)
Accounts payable	28,960	219,981
Accrued expenses	238,336	(140,976)
Billing in excess of costs on uncompleted contracts	(174,068)	(146,387)
Net cash provided by operating activities	<u>326,012</u>	<u>66,430</u>
Cash flows from investing activities:		
Capital expenditures	(23,009)	(49,029)
Net cash used in investing activities	<u>(23,009)</u>	<u>(49,029)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	575,000	315,000
Payments of short-term borrowings	(575,000)	(315,000)
Proceeds from long-term debt	26,460	-
Payments of long-term debt	(94,995)	(87,182)
Net cash used in financing activities	<u>(68,535)</u>	<u>(87,182)</u>
Net increase (decrease) in cash and cash equivalents	234,468	(69,781)
Cash and cash equivalents at beginning of period	<u>321,490</u>	<u>323,537</u>
Cash and cash equivalents at end of period	<u>\$ 555,958</u>	<u>\$ 253,756</u>

See notes to consolidated financial statements

**CVD EQUIPMENT CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included and all such adjustments are of a normal recurring nature. The operating results for the three and six months ended June 30, 2004 are not necessarily indicative of the results that can be expected for the year ending December 31, 2004.

The balance sheet as of December 31, 2003 has been derived from the audited financial statements at such date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

For further information, please refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report of Form 10-KSB for the year ended December 31, 2003.

**Recently Issued Accounting Standards**

In January 2003, the FASB issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company is required to adopt the provision of FIN 46 for variable interest entities created after January 31, 2003. The adoption of FIN 46 is not expected to have a material impact on the Company's consolidated financial statements.

**CVD EQUIPMENT CORPORATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1: BASIS OF PRESENTATION (continued)**  
**Recently Issued Accounting Standards (continued)**

In April 2003, the FASB issued Statement No. 149 (SFAS No. 149), "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133, and is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS No. 149 is not expected to have a material impact on the Company's consolidated financial statements.

In May 2003, the FASB issued Statement No. 150 (SFAS No. 150) "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 established standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. SFAS No. 150 is effective for financial statements entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The adoption of SFAS No. 150 is not expected to have a material impact on the Company's consolidated financial statements.

In December 2003, the FASB amended Statement No. 132 (SFAS No. 132) "Employers' Disclosures about Pensions and Other Postretirement Benefits", and amendment of FASB Statements No. 87, 88 and 106. SFAS 132 improves financial statement disclosure for defined benefit plans and requires that companies provide more details about their plan assets, benefit obligations, cash flows, benefit costs and other relevant information. SFAS No. 132 is effective for fiscal years ending after December 15, 2003, and for quarters beginning after December 15, 2003. The adoption of SFAS No. 132 is not expected to have a material impact on the Company's consolidated financial statements.

**NOTE 2: REVENUE RECOGNITION**

The Company recognizes revenues and income using the percentage-of-completion method for complex major products while revenues from other products are recorded when such products are accepted and shipped. Profits on contracts for complex major products are recorded on the basis of the Company's estimates of the percentage-of-completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final

**CVD EQUIPMENT CORPORATION AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2: REVENUE RECOGNITION (continued)**

results with reasonable accuracy. Under this method, revenues are recognized based on costs incurred to date compared with total estimated costs.

The asset, "Costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed.

The liability, "Billings in excess of costs on uncompleted contracts" represents amounts billed in excess of revenues earned.

**NOTE 3: UNCOMPLETED CONTRACTS**

Costs, estimated earnings and billings on uncompleted contracts are summarized as follows:

	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Costs incurred on uncompleted contracts	\$ 264,310	\$ 303,772
Estimated earnings	<u>864,527</u>	<u>951,894</u>
	1,128,837	1,255,666
Billings to date	<u>(587,400)</u>	<u>(854,000)</u>
	<u>\$ 541,437</u>	<u>\$ 401,666</u>
Included in accompanying balance sheets		
Under the following captions:		
Costs and estimated earnings in excess		
of billings on uncompleted contracts	\$ 541,437	\$ 575,734
Billings in excess of costs and estimate		
earnings on uncompleted contracts	<u>0</u>	<u>(174,068)</u>
	<u>\$ 541,437</u>	<u>\$ 401,666</u>



**CVD EQUIPMENT CORPORATION AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 4: INVENTORY**

Inventories consist of the following:

	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Raw materials	\$1,088,519	\$ 777,893
Work-in-process	363,523	108,350
Finished goods	<u>366,799</u>	<u>539,608</u>
	<u>\$1,818,841</u>	<u>\$ 1,425,851</u>

**NOTE 5: BAD DEBTS**

The Company records an allowance for uncollectible amounts based on a review of the collectibility of its accounts receivable. Management determines the adequacy of this allowance by analyzing historical bad debts, continually evaluating individual customer's receivables and considering the customer's financial condition and current economic conditions. If the financial condition of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances could be required.

**NOTE 6: SHORT TERM BORROWINGS**

<u>June 30, 2004</u>	<u>December 31, 2003</u>
\$0	\$0

The Company has a line of credit with a bank permitting the Company to borrow up to \$1,000,000 which will be subject to renewal on June 1, 2005. Interest is payable on any unpaid principal balance at the bank's prime rate plus  $\frac{3}{4}$  of 1%. Borrowings are collateralized by the Company's assets

**NOTE 7: OTHER INCOME**

Other income for the three and six months ended June 30, 2003 consists primarily of cash received on the collection of accounts receivable exceeding the amount booked as part of the purchase of assets of Conceptronic's Inc. Surface Mount Technology (SMT) business.

**CVD EQUIPMENT CORPORATION AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 8: STOCK OPTION PLANS

The Company accounts for the stock option plans under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, accounting for Stock-based Compensation, to stock-based employee compensation.

	<u>Six months ended June 30,</u>	
	<u>2004</u>	<u>2003</u>
Net loss as reported	\$ (334,719)	\$ (284,899)
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	-	-
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	<u>(37,249)</u>	<u>( 14,839)</u>
Pro forma net loss	<u>\$ (371,968)</u>	<u>\$ (299,738)</u>
Loss per share:		
Basic-as reported	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>
Basic-pro forma	<u>\$ (0.12)</u>	<u>\$ (0.10)</u>
Diluted-as reported	<u>\$ (0.11)</u>	<u>\$ (0.09)</u>
Diluted-pro forma	<u>\$ (0.12)</u>	<u>\$ (0.10)</u>

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the consolidated financial statements and accompanying notes filed as part of this report.

Except for historical information contained herein, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Important assumptions and other factors that could cause actual results to differ materially from those in the forward-looking statements, include but are not limited to: competition in the Company's existing and potential future product lines of business; the Company's ability to obtain financing on acceptable terms if and when needed; uncertainty as to the Company's future profitability, uncertainty as to the future profitability of acquired businesses or product lines, uncertainty as to any future expansion of the Company. Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to update these forward looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

### **Results of Operations**

Revenue for the three month period ended June 30, 2004 was \$1,726,598 compared to \$2,024,454 for the three month period ended June 30, 2003, a decrease of approximately \$298,000 or 14.7%. The overall softness in the economy has caused some existing and potential customers to either reduce or delay their capital expenditures which has negatively impacted the revenue generated from the manufacture of CVD and SDC equipment gas and chemical delivery systems. The Company has utilized this "slow" time to redesign and re-engineer some Conceptronic and Research International product lines into more cost effective and efficient systems enabling us to implement our marketing strategy to sell these products.

Revenue for the six months ended June 30, 2004 was \$3,918,533 a decrease of \$1,733,058 or 30.7% compared to the \$5,651,591 of revenue achieved in the six month period ended June 30, 2003. The Company's relocation of its corporate headquarters during the quarter ended

December 31, 2002 resulted in a slowdown in productivity. Products that would have been completed and shipped prior to December 31, 2002 were completed and shipped during the first three months of 2003 resulting in higher revenues for that six month period.

The Company's gross profit increased to \$555,532 during the three months ended June 30, 2004, an increase of approximately \$401,000 or 260.3% compared to the three months ended June 30, 2003. Additionally, the gross profit margin increased from 7.6% in the three month period ended June 30, 2003 to 32.2% in the current three month period. This increase is attributable to two factors: The gross margin for three months ended June 30, 2003 was lower than normal as a result of the high costs associated with products sold through the Conceptronic division which had recently been acquired. Over the subsequent twelve months, by assimilating Conceptronic into the Company's mainstream we were able to reduce these costs. The second factor is attributable to the engineering and design modifications the Company has been able to make to the product line.

Gross profits and gross profit margin for the six months ended June 30, 2004 increased by \$18,375 and 9.3% respectively, compared to the six months ended June 30, 2003. Both of these increases are attributable to the same reasons as mentioned above for the three month period, cost reductions and engineering and design modifications. As a result the gross profit margin increased to approximately 29.2% compared to 19.9% for the same period one year ago, despite lower overall revenues for the period.

For the six months ended June 30, 2004, the Company's selling and shipping expenses were \$309,693 which represents a decrease of approximately \$116,000 or 27.3% compared to the approximately \$426,000 incurred during the six months ended June 30, 2003. This is primarily a result of the reduction in the Company's sales force and the increased reliability placed on distributors in addition to the lower sales volume.

The Company incurred approximately \$587,000 of general and administrative expenses during the quarter ended June 30, 2004, an increase of 7.6% or \$41,000 compared to the \$546,000 of general and administrative expenses incurred in the quarter ended June 30, 2003. This is a result of increases in various expenses such as real estate taxes and employee benefits during the current quarter.

General and administrative expenses for the six months ended June 30, 2004 were \$1,068,687, representing a 5.1% decrease compared to approximately \$1,126,000 for the six months ended June 30, 2003. This is primarily attributable to the higher than normal costs during the six months ended June 30, 2003 prior to the assimilation of Conceptronic into the Company mainstream.

Interest expense for the three and six months ended June 30, 2004 decreased to approximately \$54,000 and \$111,000 respectively compared to approximately \$61,000 and \$124,000 for the

three and six months ended June 30, 2003, a reduction of 11.2% and 10.4% respectively, as a result of reduced borrowing by the Company on its short-term revolving credit line.

Other income decreased by approximately \$188,000 and \$254,000 for the three and six months ended June 30, 2004 compared to the same respective periods one year earlier. During the three month period ended June 30, 2003 the Company collected approximately \$150,000 as an insurance reimbursement for legal fees and \$42,000 in collections of accounts receivable in excess of the \$369,000 recorded as part of the purchase of the assets of Conceptronic's Inc. Surface Mount Technology (SMT) business. During the six months ended June 30, 2003 the Company collected \$106,000 of accounts receivable in excess of the amount recorded as part of the purchase of the assets of Conceptronic's Inc. Surface Mount Technology (SMT) business in addition to the \$150,000 received as an insurance reimbursement. The Company did not receive any income from those sources during the current three and six month period.

#### Liquidity and Capital Resources

As of June 30, 2004, the Company had an aggregate working capital of approximately \$2,458,000 compared to an aggregate working capital of \$2,857,000 at December 31, 2003 and had available cash and cash equivalents of \$555,958 compared to \$321,490 at December 31, 2003. The increase in cash is attributable to the daily operating activities.

Accounts receivable as of June 30, 2004 was \$907,838 compared to \$1,819,744 as of December 31, 2003. This decrease is attributable to timing of customer payments and reduced billings.

As of June 30, 2004 the Company's backlog increased to approximately \$2,683,000 from the approximately \$1,738,000 at December 31, 2003. During the latter part of the period ended June 30, 2004, the Company had completed some of the enhancements to the Conceptronic product line and thus began increasing its marketing efforts in that area. This has contributed to the increased backlog as of June 30, 2004. The timing for completion of the backlog varies depending on the product mix, however, there is generally a one to six month lag in the completion and shipping of backlogged product.

On June 1, 2004, the Company and its bank renewed its one year line of credit facility which permits the Company to borrow up to \$1,000,000. Interest is payable on any unpaid principal balance at the bank's prime rate plus  $\frac{3}{4}$  of 1%. As of June 30, 2004, there was no outstanding balance on this facility. Borrowings are collateralized by the Company's assets.

The Company believes that its cash, cash equivalents and available credit facilities will be sufficient to meet its working capital and investment requirements for the next twelve months. However, future growth, including potential acquisitions, may require additional funding, and from time to time the Company may need to raise capital through additional equity or debt financing.

### Item 3. Controls and Procedures.

#### Evaluation of Disclosure Controls and Procedures

Based on their evaluation as of a date within 90 days of the filing of this Form 10-QSB, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as required by Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to insure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

#### Changes in Internal Controls

There were no significant changes in the Company's internal controls over financial reporting that occurred during the quarter ended June 30, 2004 that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

#### Limitations on the Effectiveness of Controls

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

# **CVD EQUIPMENT CORPORATION**

## **PART II**

### **OTHER INFORMATION**

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities

None.

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

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports Filed on Form 8-K

(a) Exhibits filed with this report:

31.1 Certification of Chief Executive Officer

31.2 Certification of Chief Financial Officer

32.1 Certification of Chief Executive Officer pursuant to U.S.C. Section 1350

32.2 Certification of Chief Financial Officer pursuant to U.S.C. Section 1350

(b) Reports on Form 8-K

None

## 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, this 16<sup>th</sup> day of August 2004.

### CVD EQUIPMENT CORPORATION

By: /s/ Leonard A. Rosenbaum  
Leonard A. Rosenbaum  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Glen R. Charles  
Glen R. Charles  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)



## EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
31.1	Certification of Chief Executive Officer *
31.2	Certification of Chief Financial Officer *
32.1	Certification of Chief Executive Officer pursuant to U.S.C. Section 1350 *
32.2	Certification of Chief Financial Officer pursuant to U.S.C. Section 1350 *

\* Filed herewith

**Certifications Pursuant to Rule 13A-14 or 15D-14 of the Securities Exchange  
Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Leonard A. Rosenbaum, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CVD Equipment Corporation;
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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 us by others within those entities, particularly during the period in which this report is being prepared;
  - b. 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
  - c. 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. The registrant's other certifying officer and 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 registrants' board of directors (or persons performing the equivalent functions):
  - 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 the 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.

Dated: August 16, 2004

/s/ Leonard A. Rosenbaum

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President, Chief Executive Officer and Director

**Certifications Pursuant to Rule 13A-14 or 15D-14 of the Securities exchange  
act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Glen R. Charles, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of CVD Equipment Corporation;
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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) 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 us by others within those entities, particularly during the period in which this report is being prepared;
  - b. 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
  - c. 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. The registrant's other certifying officer and 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 registrants' board of directors (or persons performing the equivalent functions):
  - 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 the 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 controls over financial reporting.

Dated: August 16, 2004

/s/ Glen R. Charles

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Chief Financial Officer

Certification of Principal Executive Officer  
Pursuant to U.S.C. Section 1350  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of  
2002

I, Leonard A. Rosenbaum, President and Chief Executive Officer of CVD Equipment Corporation, hereby certify, to my knowledge, that the quarterly report on Form 10-QSB for the period ending June 30, 2004 of CVD Equipment Corporation (the "Form 10-QSB") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of CVD Equipment Corporation.

Dated: August 16, 2004    /s/ Leonard A. Rosenbaum  
Leonard A. Rosenbaum  
Chief Executive Officer  
(Principal Executive Officer)

Certification of Principal Financial Officer  
Pursuant to U.S.C. Section 1350  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of  
2002

I, Glen R. Charles, Chief Financial Officer of CVD Equipment Corporation, hereby certify, to my knowledge, that the quarterly report on Form 10-QSB for the period ending June 30, 2004 of CVD Equipment Corporation (the "Form 10-QSB") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of CVD Equipment Corporation.

Dated: August 16, 2004      /s/ Glen R. Charles  
   Glen R. Charles  
   Chief Financial Officer  
   (Principal Financial Officer)