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

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date Of Report (Date Of Earliest Event Reported): 02/02/2005

CECO ENVIRONMENTAL CORP

(Exact Name of Registrant as Specified in its Charter)

Commission File Number: 0-7099

DE

(State or Other Jurisdiction of
Incorporation or Organization)

13-2566064

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

3120 Forrer Street, Cincinnati, OH 45209
(Address of Principal Executive Offices, Including Zip Code)

(416) 593-6543
(Registrant's Telephone Number, Including Area Code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act(17CFR240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act(17CFR240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act(17CFR240.13e-4(c))
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Item 4.02. Non-Reliance on Previously Issues Financial Statements or a Related Audit Report or Completed Interim Review

The management of CECO Environmental Corp. ("CECO" or the "Company") determined, on February 2, 2005, that the Company's audited and unaudited financial statements for the years 2000 through 2003 and the first three quarters of 2004 and the related independent registered public accountants reports, which were included in the Company's previously-filed Annual and Quarterly Reports on Forms 10-K and 10-Q, should not be relied upon.

CECO's management detected a material misstatement in the systemic calculation in spreadsheets aggregating small project balances that the Company used to recognize revenue from such projects. While revenue recognized under the percentage of completion calculation on individual large projects was accurate, due to this spreadsheet error, the aggregation of such totals for small and large jobs was incorrect. This error occurred from 2000 to 2003 and the three quarters reported during 2004.

The effect of this error on previously reported amounts has overstated the asset, Cost in excess of billings, on uncompleted contracts by approximately \$1,969,000, Deferred tax liability by \$748,000 and Retained earnings by \$1,221,000 as of December 31, 2003. Individual years impact on the statement of operations was approximately an overstatement of Revenues of \$806,000, \$302,000, \$185,000 and \$676,000 and an understatement of the net loss in each year by \$500,000, \$187,000, \$115,000 and \$419,000 for each of the years ending December 31, 2003, 2002, 2001 and 2000 respectively.

In the current year, 2004, because the Company has understated revenues as the backlog was declining, the error is reversing. The effect of this error is that CECO understated revenues by \$180,000 and overstated net loss by \$112,000 for the nine months ending September 30, 2004. The cumulative effect of this error at the end of September 30, 2004 overstated Cost in excess of billings on uncompleted contracts by approximately \$1,789,000, overstated the Deferred tax liability by \$680,000 and Retained earnings by \$1,109, 000.

This error has not affected our cash flow from operations and does not affect the borrowing base calculation used for purposes of determining the amount we are permitted to borrow under our current loan agreement.

On February 7, 2005, the Company's Audit Committee agreed with management's recommendation that the consolidated financial statements of the Company for the periods described above should be restated. The Audit Committee has discussed this conclusion with the Company's independent registered public accounting firm, Deloitte & Touche LLP.

As soon as practicable, the Company will file an amended Report on Form 10-K for the year ended December 31, 2003 and amended reports on Form 10-Q for the first three quarters of 2004 to include restatements of the financial statements included in those reports to reflect the error.

Signature(s)

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 hereunto duly authorized.

CECO ENVIRONMENTAL CORP

Date: February 08, 2005.

By: /s/ Dennis W. Blazer

Dennis W. Blazer
Chief Financial Officer, Vice President -- Finance and
Administration

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-1.	Press Release

NET INCOME WILL BE ADJUSTED DOWN FOR THE
YEARS ENDED DECEMBER 31, 2000 -- 2003.

HOWEVER THE ERROR IN 2004 WILL HAVE A POSITIVE AFFECT ON EARNINGS IN 2004.

THERE WILL BE NO CHANGES IN OUR CASH FLOW FROM OPERATIONS AS A RESULT OF
THE RESTATEMENTS.

CECO Environmental Corp (CECE --NASDAQ) reported today that its in-house accounting staff has discovered an accounting error in the spreadsheet calculations used by the Company's construction division for its 'percentage of completion' accounting. The net effect to the financials will be a cumulative reduction in revenue of \$1,969,000 over the four year period from January 1, 2000 to December 31, 2003 with an equivalent charge to pre-tax net income for the same period. None of the charges will affect any of CECO's actual cash positions.

The error has a favorable effect in the current year, 2004, as the Company understated revenues as our backlog was declining and therefore, the error is reversing. This will add approximately \$180,000 to CECO's 2004 income before taxes for the nine months ended September 30, 2004. Final 2004 numbers have not yet been reported. As soon as practicable, the Company will file an amended Report on Form 10-K for the year ended December 31, 2003 and amended reports on Form 10-Q for the first three quarters of 2004 to include restatements of the financial statements included in those reports to reflect the error.

CECO also stated that this error has not affected its cash flow from operations and does not affect the borrowing base calculation used for purposes of determining the amount CECO is permitted to borrow under its current loan agreement.

Phillip DeZwirek, Chairman and CEO of CECO stated that "our in-house accounting staff discovered this miscalculation and immediately reported it to our independent auditors. As our business expands it is important to know that our Sarbanes-Oxley compliance preparation is working. This accounting restatement has a negative affect on earnings historically and a positive affect on earnings for 2004. It has no effect on the continuing progress in CECO's business which is maintaining its momentum."

ABOUT CECO ENVIRONMENTAL

CECO Environmental Corp. is North America's leading independent air pollution control company. Through its five subsidiaries -- Busch, CECO Filters, CECO Abatement Systems, kbd/Technic and Kirk & Blum -- CECO provides a wide spectrum of air quality services and products including: industrial air filters, environmental maintenance, monitoring and management services, and air quality improvement systems. CECO is a full-service provider to the steel, military, aluminum, automotive, aerospace, semiconductor, chemical, cement, metalworking, glass, foundry and virtually all industrial process industries.

For more information on CECO Environmental please visit the Company's

website at <http://www.cecoenviro.com/>.

Contact:

Corporate Information

Phillip DeZwirek, CECO Environmental Corp.

Email: investors@cecoenviro.com

1-800-606-CECO

Forward-Looking Statements

This press release includes statements that may constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Matters discussed in this news release contain forward-looking statements relating to the impact of the evaluation of the Company's accounting methods. These statements are subject to a variety of uncertainties and subject to completions of our restatement of the referenced financials. Pending the completion of the restatement process, it is possible that additional adjustments, or changes to our estimates, could be identified as a result of the reviews by management, the Company's audit committee and its auditors. All forward-looking statements included in this press release are made only as of the date of this press release, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which we hereafter become aw are.