

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWAREIn re: GSE Environmental, Inc., et al.
DebtorCase No. 14 - 11126
Reporting Period: May 5 - May 31, 2014

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X	
Schedule of Professional Fees Paid	MOR-1b	X	
Copies of bank statements			
Cash disbursements journals		X	
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable	MOR-4	X	
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor_____
Date_____
Signature of Joint Debtor_____
Date


 Signature of Authorized Individual*

6/30/2014

Date

Daniel Storey

Printed Name of Authorized Individual_____
Chief Financial Officer_____
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

In re: GSE Environmental, Inc., et al.
Debtor
Form: MOR-1

Case No. 14-11126
Reporting Period: May 5 - May 31, 2014

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Receipts / Disbursements	GSE Holding, Inc.	GSE Environmental, LLC	GSE Environmental, Inc.	NA Eliminations	NA HQ Adjs	Syntec	Debtors
[1] Beginning Balance	\$ -	\$ 3,100,551	\$ 36,385	\$ -	\$ -	\$ -	\$ 3,136,936
Receipts							
Customer Receipts	-	9,231,195	-	-	-	-	9,231,195
Receipts from Affiliates	-	-	-	-	-	-	-
Other Receipts / Credits	-	-	-	-	-	-	-
Revolver Advance (Paydown)	-	5,500,000	-	-	-	-	5,500,000
Total Receipts	-	14,731,195	-	-	-	-	14,731,195
Disbursements							
Total Resin / Fiber	-	(5,532,514)	-	-	-	-	(5,532,514)
Materials & Other Opex	-	(987,849)	-	-	-	-	(987,849)
Freight	-	(1,023,747)	-	-	-	-	(1,023,747)
Gross Payroll (inc. co expense)	-	(1,646,804)	-	-	-	-	(1,646,804)
Repair & Maintenance	-	(33,366)	-	-	-	-	(33,366)
Payments to Affiliates	-	-	-	-	-	-	-
Prof Fees	-	-	-	-	-	-	-
Corp Tax	-	(219,507)	-	-	-	-	(219,507)
Corp Insurance	-	(300,828)	-	-	-	-	(300,828)
Corp Other	-	(125,518)	-	-	-	-	(125,518)
CAPEX Disbursements	-	(8,931)	-	-	-	-	(8,931)
Total Disbursements	-	(9,879,064)	-	-	-	-	(9,879,064)
Ending Balance	\$ -	\$ 7,952,682	\$ 36,385	\$ -	\$ -	\$ -	\$ 7,989,067

[1] GSE Environmental, LLC beginning balance represents 5/5/14 beginning cash balance.

In re: GSE Environmental, Inc., et al.

Debtor

Form: MOR-1a

Case No. 14 - 11126Reporting Period: May 5 - May 31, 201BANK RECONCILIATIONS
Continuation Sheet for MOR-1

GSE Environmental, LLC

Bank Acct.	Local Account Name	Debtor	G/L Balance	Source Balance	Open Item Balance	Disbursements
0116	Cash - Master Collateral	GSE Environmental, LLC	-	1,396,122.98	(1,396,122.98)	-
7652	CASH - Credit Card Acct	GSE Environmental, LLC	5,048.78	-	5,048.78	-
6532	Cash - Funding Account	GSE Environmental, LLC	7,815,634.03	6,417,174.05	1,398,459.98	(6,128,024.21)
2321	Cash - Accounts Payable	GSE Environmental, LLC	(110,447.18)	797,988.72	(908,435.90)	(2,231,256.25)
6202	Cash - Payroll Account	GSE Environmental, LLC	147,528.74	161,809.03	(14,280.29)	(1,352,689.53)
7169	CASH - FLEX UMR	GSE Environmental, LLC	23,117.08	27,409.06	(4,291.98)	(30,407.33)
7156	CASH - Insurance UMR	GSE Environmental, LLC	83,127.96	109,911.00	(26,783.04)	(125,520.58)
	Flex Spending - Tower Life	GSE Environmental, LLC	(222.11)	(222.11)	-	(11,166.29)
	CASH - INSURANCE TOWER LIFE	GSE Environmental, LLC	(4,177.83)	(4,177.83)	-	-
	CASH - M&T BANK	GSE Environmental, LLC	(9,077.74)	-	(9,077.74)	-
	Petty Cash		2,150.27	-	-	-
			7,952,682.00	8,906,014.90	(955,483.17)	(9,879,064.19)

Bank Acct.	Local Account Name	Legal Entity	G/L Balance	Source Balance	Open Item Balance	Disbursements
6170	Utility Account	GSE Environmental, LLC	-	195,000.00	-	-

Note: Utility Account - 6170 is located in "Other Current Assets" and is not recorded as cash on the general ledger.

GSE Environmental, Inc.

Bank Acct.	Local Account Name	Legal Entity	G/L Balance	Source Balance	Open Item Balance	Disbursements
7370	Cash Master Account	GSE Environmental, Inc.	36,384.59	36,385.00	-	-

GSE Environmental, LLC

Account Reconciliation

Account Overview

Local Account #:	120110	Local Account Name:	Cash - Master Collateral	Period:	31-May-14
AX Account #:	120110	AX Account Name:	Cash - Master Collateral	Functional Currency:	USD
Legal Entity Code:	Co 003	Legal Entity Name:	GSE Environmental, LLC		
AX Transaction Entity:	Co 003				

Account Description/Purpose:

120110 serves as a Deposit Account for North America. While it swept on a nightly basis into the funding account, we book the transfer on a monthly basis.

Normal Transaction Flow:

Credits are recorded when we transfer to Funding account. Debits are recorded when we received customers deposits/payments..

Type:	Asset	Liability	Nature: Debit	Credit	Varies	Zero
	☒	☐		☒	☐	☒

Reconciliation Detail

Exchange Rate (USD per LC) LOCAL CURRENCY USD CURRENCY

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank of America Ending balance	Bank of America Monthly statements	See tab "Back Up"	1,396,122.98	1,396,122.98
	Source Total:	0.00	1,396,122.98	\$1,396,122.98

Open Item Balance

Open item balance					
ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	Outstanding Withdrawals - 5/31/14 - Recorded in GL but not in bank	5/31/2014	Sweep Variance 5/31/14	(1,396,122.98)	(1,396,122.98)

GSE Environmental, LLC**Account Reconciliation****Account Overview**

Local Account #: 120115
 AX Account #: 120115
 Legal Entity Code: Co 3
 AX Transaction Entity: Co 3

Local Account Name:
 AX Account Name:
 Legal Entity Name:

Cash - Funding Account
 Cash - Funding Account
 GSE Environmental, LLC

Period:
 Functional Currency:

31-May-14
 USD

Account Description/Purpose:

120115 - Funding account serves as the cash holding account for North America. All transactions to this account are transfers to/from other accounts.

Normal Transaction Flow:

Debits are recorded when we received transfer from Collateral and Credit Card accounts. Credits are recorded when we paid vendors and transfer to cover A/P, payroll, UMR accounts.

Type: ☒ Asset ☐ Liability ☐ Equity

Risk: ☒ High ☐ Medium ☐ Low

Nature: ☒ Debit ☐ Credit ☐ Varies ☐ Zero

Reconciliation Detail

Exchange Rate (USD per LC) 1
 Ending G/L Balance: LOCAL CURRENCY 7,815,634.03 USD CURRENCY \$7,815,634.03

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank of America Ending balance	Bank of America Monthly statements	See tab "Back Up"	6,417,174.05	6,417,174.05
				0.00
				0.00
Source Total:			6,417,174.05	\$6,417,174.05

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	Outstanding Deposits from Collateral Acct	5/31/2014	Monitor Automatic Transfer for Funds 4/14	1,396,122.98	1,396,122.98
O	Returned Credit Card Refund	3/31/2014	Vivian to correct in February	2,337.00	2,337.00
				0.00	0.00
				0.00	0.00
				0.00	0.00
Open Total:				1,398,459.98	\$1,398,459.98

Unreconciled Balance: 0.00 \$0.00

GSE Environmental, LLC**Account Reconciliation****Account Overview**

Local Account #: 120120
 AX Account #: 120120
 Legal Entity Code: Co 3
 AX Transaction Entity: Co 3

Local Account Name:
 AX Account Name:
 Legal Entity Name:

Cash - Accounts Payable
 Cash - Accounts Payable
 GSE Environmental, LLC

Period: 31-May-14
 Functional Currency: USD

Account Description/Purpose:

120120 serves as a Disbursement Account for North America. Although Funding Account funds this account periodically, we book the transfer on a monthly basis. Outstanding checks are usually the only reconciling items.

Normal Transaction Flow:

Credits are recorded for vendor accounts payment. Debits are recorded when we process monthly transfers.

Type: ☒ Asset ☐ Liability ☐ Equity Risk: ☒ High ☐ Medium ☐ Low Nature: ☒ Debit ☐ Credit ☐ Varies ☐ Zero

Reconciliation Detail

Exchange Rate (USD per LC) 1
 Ending G/L Balance: LOCAL CURRENCY (110,447.18) USD CURRENCY (\$110,447.18)

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank of America Ending balance		Attached	797,988.72	797,988.72
		Source Total:	797,988.72	\$797,988.72

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	AX Outstanding checks	4/30/2014	Automatic Bank Transaction	(870,599.12)	(870,599.12)
O	JDE Outstanding Checks	1/31/2012	Automatic Bank Transaction	(31,787.53)	(31,787.53)
O	O'Reilly Auto Parts - Voided Check	11/30/2012	Vivian Edge to correct	229.25	229.25
O	Voided Check #146478 but cleared bank on 1/10/12	5/31/2012	Employee to reimburse company	653.51	653.51
O	Check # 151813 was voided	4/30/2012	Vivian Edge - Janitorial Svc dup payment	838.94	838.94
O	BOA Refunded cleared check #156490	1/31/2013	Researching	(93.26)	(93.26)
O	BOA Refunded cleared check #156491	1/31/2013	Researching	(10,438.00)	(10,438.00)
O	BOA Refunded cleared check #156754	1/31/2013	Researching	(114.00)	(114.00)
O	Voided Check #160519 but cleared bank on 5/28/13	5/31/2013	Vivian Edge to correct	692.51	692.51
O	Voided Check #163606 but cleared bank on 11/14/13	11/30/2013	Vivian Edge to correct	2,230.80	2,230.80
O	Cleared/returned checks variance	5/31/2014	Bank will adjust in 6/14	(49.00)	(49.00)
			Open Total:	(908,435.90)	(\$908,435.90)

Unreconciled Balance:

0.00 \$0.00

GSE Environmental, LLC**Account Reconciliation****Account Overview**

Local Account #: 120130
 AX Account #: 120130
 Legal Entity Code: Co 003
 AX Transaction Entity: Co 003

Local Account Name:
 AX Account Name:
 Legal Entity Name:

Cash - Payroll Account
 Cash - Payroll Account
 GSE Environmental, LLC

Period: 31-May-14
 Functional Currency: USD

Account Description/Purpose:

This account serves as the payroll account for North America. Funding account transfers fund to cover the payroll periodically.

Normal Transaction Flow:

Debit is recorded once a month for fund transfer from Funding Account. Credits are recorded when we record weekly and semi-monthly payroll and miscellaneous taxes and deductions.

Type: ☒ Asset☐ Liability

Nature:

Debit

☒

Credit

☐

Varies

☐

Zero

☐**Reconciliation Detail**Exchange Rate (USD per LC) LOCAL CURRENCY USD CURRENCY

Ending G/L Balance:

147,528.74 \$147,528.74

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank of America Ending Balance	Bank of America Monthly Statement	See Tab "Back Up"	161,809.03	161,809.03
Source Total:			0.00	\$161,809.03

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	Outstanding checks - pre ADP	Various	See Tab "OC Checks"	(14,429.23)	(14,429.23)
O	01/17/14 DD/Net Pay variance	1/31/2014	Researching	(341.66)	(341.66)
O	Fran Luna - Gift card	2/28/2014	Bron to record in Apr 15	(200.00)	(200.00)
O	Renaldo Dawson - manual check Frozen vacation	2/28/2014	Bron to record in Apr 15	380.90	380.90
O	Aigen / Capra stock taxes	2/28/2014	Bron to record in Apr 15	(639.50)	(639.50)
O	Manual Payroll Check - Christopher Boone	4/30/2014	Will show on 5/14 Statement- Bron will check with HR	949.29	949.29
O	Rounding Adj	5/31/2014	Adjust in 6/14	(0.09)	(0.09)
Open Total:			0.00	(14,280.29)	(\$14,280.29)

Unreconciled Balance:

0.00 0.00

Account Reconciliation

Local Account #:	120146
AX Account #:	120146
Legal Entity Code:	Co 003
AX Transaction Entity:	Co 003

Local Account Name:
AX Account Name:
Legal Entity Name:

Flex Spending - Tower Life
Flex Spending - Tower Life
GSE Environmental LLC

Period:

Functional Currency:

1-May-14	USD
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Account Description/Purpose:

This account represents the checking account for the Tower Life Flexible Spending account. This account is no longer used, but still has outstanding checks dating back to 2009.

Normal Transaction Flow:

This account was debited for cash funding and credited when checks were written against it.

Type: Asset 

Liability

Nature: Debit

3

Credit

Varies

Zero

Exchange Rate (USD per LC)	1
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LOCAL CURRENCY

USD CURRENCY

Ending G/L Balance:

(222.11)

(\$222.11)

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
		See Tab "Outstanding Checks"	(222.11)	(222.11)
	Source Total:	0.00	(222.11)	(\$222.11)

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
Open Total:			0.00	0.00	\$0.00

Unreconciled Balance:

0.00

0.00

GSE Environmental, LLC

Account Reconciliation

Account Overview

Local Account #:	120147	Local Account Name:	CASH - FLEX UMR	Period:	31-May-14
AX Account #:	120147	AX Account Name:	CASH - FLEX UMR	Functional Currency:	USD
Legal Entity Code:	Co 003	Legal Entity Name:	GSE Environmental, LLC		
AX Transaction Entity:	Co 003				

Account Description/Purpose:	
This account captures the Flexible Savings Account of Employees for their Medical/Dental and Dependent Care accounts. Employees elect an amount for the year and UMR manages this deduction and reimbursement to the employees. Employees submit their medical/dental/dependent day care reimbursement to UMR, and in turn UMR will issue a check payable to the employee requesting reimbursement. GSE funds this account periodically through the Funding Account.	

Normal Transaction Flow:	Debits record the funds transfer from Funding Account and the Credit record the payment to the employee.
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Type:	Asset	Liability	Nature:	Debit	Credit	Varies	Zero
	☒	☐		☒	☐	☐	☒
	☐	☐		☐	☐	☐	☒

Reconciliation Detail

Exchange Rate (USD per LC)	1	LOCAL CURRENCY	USD CURRENCY
Ending G/L Balance:		23,117.08	\$23,117.08

Source Balance

[illegible]

Open Item Balance

Open Item Balance					
ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	Outstanding Checks - UMR	3/31/2014	Automated Bank Transaction	(3,039.88)	(3,039.88)
O	Outstanding Checks - UMR - pre 2012	3/31/2014	Automated Bank Transaction	(500.70)	(500.70)
O	Express Scripts DD 5/29/14 Fees	5/31/2014	Will be on 6/14 Bank statement	(274.86)	(274.86)
O	Aetna HSA Funding 05/30/14	41,790.00	Will be on 6/14 Bank statement	(476.54)	(476.54)
Open Total:					
			0.00	(4,291.98)	(\$4,291.98)
Unreconciled Balance:				0.00	0.00

Account Reconciliation

Local Account #:	120160
AX Account #:	120160
Legal Entity Code:	Co 003
AX Transaction Entity:	Co 003

Local Account Name:
AX Account Name:
Legal Entity Name:

CASH - INSURANCE TOWER LIFE
CASH - INSURANCE TOWER LIFE
GSE Environmental, LLC

Period:	31-May-14
Functional Currency:	USD

Account Description/Purpose:

This account formerly serves as the medical payment account for North America. The third party provider was changed and is no longer in use.

Normal Transaction Flow:

Account is closed - recommend reclassing to accrued liability and closing GL account.

Type: Asset

Liability

Nature: Debit

➤

Credit

103

Varies

➤

Zero

➤

Exchange Rate (USD per LC)	LOCAL CURRENCY	USD CURRENCY
1		

Ending G/L Balance:

	(4,177.83)	(\$4,177.83)
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Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Outstanding Checks	Unreconciled		(4,177.83)	(4,177.83)
	Source Total:	0.00	(4,177.83)	(\$4,177.83)

Open Item Balance

[illegible]

Unreconciled Balance:

0.00	0.00
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GSE Environmental, LLC

Account Reconciliation

Account Overview

Local Account #:	120165	Local Account Name:	CASH - Insurance UMR	Period:	31-May-14
AX Account #:	120165	AX Account Name:	CASH - Insurance UMR	Functional Currency:	USD
Legal Entity Code:	Co 003	Legal Entity Name:	GSE Environmental, LLC		
AX Transaction Entity:	Co 003				

Account Description/Purpose:

This account captures Medical, Dental and Vision Care for North America. UMR manages this payment to third party providers. GSE funds this account periodically through the Funding Account.

Normal Transaction Flow:

Debits record the funds transfer from Funding Account and the Credit record the payment to the third party.

Type:	Asset	Liability	Nature:	Debit	Credit	Varies	Zero
	☒	☐		☒	☐	☐	☒
	☐	☐		☐	☐	☒	☐

Reconciliation Detail

Exchange Rate (USD per LC)	1	LOCAL CURRENCY	USD CURRENCY
Ending G/L Balance:		83,127.96	\$83,127.96

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank Balance	BOA Statements	See Tab "back up"	109,911.00	109,911.00
	Source Total:	0.00	109,911.00	\$109,911.00

Open Item Balance

Open Item Balance					
ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	Outstanding Checks	4/30/2014	Automatic Bank Transaction	(26,783.04)	(26,783.04)

GSE Environmental, LLC

Account Reconciliation

Account Overview

Local Account #: 120170
AX Account #: 120170
Legal Entity Code: Co 003
AX Transaction Entity: Co 003

Local Account Name: CASH - Credit Card Acct
AX Account Name: CASH - Credit Card Acct
Legal Entity Name: GSE Environmental, LLC

Period: 31-May-14
Functional Currency: USD

Account Description/Purpose:

This account is used to record credit card sales and subsequent cash clearing of the account. Deposits are transferred to GSE Funding account the following day.

Normal Transaction Flow:

Debits are recorded when customers pay with a credit card. Credits are recorded when funds deposited to Funding Account and apply the payment.

Type: ☒ Asset ☐ Liability Nature: ☒ Debit ☐ Credit ☐ Varies ☒ Zero

Reconciliation Detail

Exchange Rate (USD per LC) 1
LOCAL CURRENCY 5,048.78
USD CURRENCY \$5,048.78
Ending G/L Balance:

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank Balance	BOA Statements	See Backup tab	0.00	0.00
Source Total:			0.00	\$0.00

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
O	American Express Fees		Bron to Post	3,350.84	3,350.84
O	AR Entries Not Posted		Nancy to Post	(17,718.05)	(17,718.05)
O	Payments Not Received		Funds Rec'd in future periods	19,415.99	19,415.99
Open Total:				5,048.78	\$5,048.78

Unreconciled Balance: (0.00) (0.00)

Account Reconciliation

31-May-14

Functional Currency:

GSE Environmental, LLC

This account represents the Syntec M & T bank in Baltimore, MD.

Deposits are debits and checks are credits.

3

1

Ending G/L Balance:

(9,077.74)

(\$9,077.74)

Source Total:Open Total:

Unreconciled Balance:

0.00

0.00

GSE Environmental, Inc.
Account Reconciliation

Account Overview

Local Account #:	120110
AX Account #:	120110
Legal Entity Code:	Co 10
AX Transaction Entity:	Co 10

Local Account Name:
AX Account Name:
Legal Entity Name:

Cash Master Account
Cash Master
GSE Environmental, Inc.

Period:

Functional Currency:

31-May-14
USD

Account Description/Purpose:

There has not been any activity in this account since 2007.

Normal Transaction Flow:

Type:

☒ Asset	☐ Liability	☐ Equity
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Risk:

☒ High	☐ Medium	☐ Low
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Nature:

☒ Debit ☐ Credit ☐ Varies ☐ Zero

Reconciliation Detail

Exchange Rate (USD per LC)	1
LOCAL CURRENCY	USD CURRENCY
36,384.59	\$36,384.59
Ending G/L Balance:	

Source Balance

Source Document Name	Source Document Purpose	Source Location	Amount (LC)	Amount (USD)
Bank of America	Bank Statements	See tab "Statements"	36,384.59	36,384.59
				0.00
				0.00
Source Total:			36,384.59	\$36,384.59

Open Item Balance

ID	Open Item Description	Date Identified	Action Item	Amount (LC)	Amount (USD)
				0.00	0.00
					0.00
					0.00
Open Total:				0.00	\$0.00
Unreconciled Balance:				0.00	\$0.00

This schedule is to include all retained professional payments from case inception to current month.

[illegible]

*** No professional or restructuring fees were paid during the period.

In re: GSE Environmental, Inc., et al.
Debtor
Form: MOR-2

Case No. 14-11126
Reporting Period: May 5 - May 31, 2014
Note: [1]

INCOME STATEMENT
May 31, 2014

Company Code	GSE Holding, Inc.	GSE Environmental, LLC	GSE Environmental, Inc.	NA Eliminations	NA HQ Adjs	Syntec	Debtors
Gross Revenue External	\$ -	\$ 12,089,975	\$ -	\$ -	\$ -	\$ -	\$ 12,089,975
Gross Revenue Intercompany	-	128,780	-	-	-	-	128,780
Sales & Operating Revenue	-	12,218,755	-	-	-	-	12,218,755
Material Cost	-	8,089,929	-	-	-	-	8,089,929
Freight Cost	-	691,724	-	-	-	-	691,724
Conversion Cost	-	1,415,154	-	-	-	-	1,415,154
Packaging	-	124,021	-	-	-	-	124,021
Installation Services Cost	-	-	-	-	-	-	-
Manufacturing Variances	-	52,939	-	-	-	-	52,939
Other Period Cost	-	5,187	-	-	-	-	5,187
Royalty and Use Fees	-	(308,477)	-	-	-	-	(308,477)
Cost of Sales	-	10,070,478	-	-	-	-	10,070,478
Gross Profit	-	2,148,277	-	-	-	-	2,148,277
Gross Profit % Revenue	-	17.6%	-	-	-	-	17.6%
SG&A Expense	-	4,326,443	-	-	-	-	4,326,443
Amortization	-	83,995	-	-	-	-	83,995
Operating Expense	-	4,410,438	-	-	-	-	4,410,438
Operating Income	-	(2,262,161)	-	-	-	-	(2,262,161)
Operating Income % Revenue	-	-18.5%	-	-	-	-	-18.5%
Foreign Exchange (Gain) / Loss	-	133	-	-	-	-	133
Sale of Assets (Gain)/Loss	-	-	-	-	-	-	-
Impairment of LT Assets	-	-	-	-	-	-	-
Interest Expense - External	-	9,868	2,295,234	-	-	-	2,305,102
Interest Expense - Internal	-	-	-	-	-	-	-
Interest (Income) - External	-	-	-	-	-	-	-
Interest (Income) - Internal	-	(111,703)	-	-	-	-	(111,703)
Misc Other (Income) / Expense	-	1,074	-	-	-	-	1,074
Other (Income) / Expenses	-	(100,627)	2,295,234	-	-	-	2,194,606
Profit Before Taxes	-	(2,161,534)	(2,295,234)	-	-	-	(4,456,767)
Tax Expense	-	125,390	-	-	-	-	125,390
Net Income	-	(2,286,924)	(2,295,234)	\$ -	\$ -	\$ -	(4,582,157)
Net Income % Revenue	-	-18.7%	-	-	-	-	-37.5%
GAAP Adjusted EBITDA	-	817,372	-	-	-	-	817,372

[1] Time period for Income Statement is May 1 - May 31, 2014.

Unaudited

In re: GSE Environmental, Inc., et al.
Debtor
Form: MOR-3

Case No. 14-11126
Reporting Period: May 5 - May 31, 2014
Note: [1]

BALANCE SHEET
May 31, 2014

Company Code	GSE Holding, Inc.	GSE Environmental, LLC	GSE Environmental, Inc.	NA Eliminations	NA HQ Adjs	Syntec	Debtors
Cash & Temporary Investments	-	7,952,682	36,385	-	-	-	7,989,067
Trade Accounts Receivable	-	27,287,768	-	-	-	-	27,287,768
Intercompany Accounts Receivable	86,767,405	33,849,657	(455,210,617)	-	-	-	(334,593,555)
Other Receivables	-	737,438	-	-	-	-	737,438
Inventories	-	26,687,921	-	-	-	-	26,687,921
ST Deferred Tax Asset	-	2,291,475	-	-	(2,291,475)	-	-
Other Current Assets	-	5,823,013	-	-	-	-	5,823,013
Current Assets	86,767,405	104,629,955	(455,174,233)	-	(2,291,475)	-	(266,068,348)
Property Plant & Equipment	-	24,158,669	-	-	-	-	24,158,669
Goodwill	-	-	5,205,000	-	-	-	5,205,000
LT Deferred Tax Asset	-	-	(1,093,636)	-	1,073,866	-	(19,770)
Customer Lists & Other Intangible Assets	-	4,034,285	-	-	-	-	4,034,285
Other Assets	-	-	6,313,599	-	-	-	6,313,599
Assets	86,767,405	132,822,909	(444,749,269)	-	(1,217,609)	-	(226,376,564)
Trade Accounts Payable	-	13,478,003	-	-	-	-	13,478,003
Intercompany Accounts Payable	-	11,583,381	-	-	-	-	11,583,381
Accrued Liabilities	-	2,450,171	1,940,999	-	-	-	4,391,170
DIP Loan	-	-	24,681,045	-	-	-	24,681,045
Pre-Petition Debt - Subject to Compromise	-	1,550,703	170,462,439	-	-	-	172,013,142
Other Current Liabilities	-	478,182	-	-	-	-	478,182
Current Liabilities	-	29,540,440	197,084,483	-	-	-	226,624,923
LT Deferred Taxes Payable	-	1,217,610	-	-	(1,217,609)	-	1
Liabilities	-	30,758,050	197,084,483	-	(1,217,609)	-	226,624,924
Intercompany Control	(60,629,156)	34,135,736	(264,921,586)	335,416,232	-	-	44,001,226
Stockholder's Equity	147,396,560	67,929,122	(376,912,166)	(335,416,232)	-	-	(497,002,716)
Liabilities & Stockholder's Equity	86,767,405	132,822,909	(444,749,269)	-	(1,217,609)	-	(226,376,564)

[1] Time period for Balance Sheet is May 1 - May 31, 2014.

Unaudited

In re: GSE Environmental, Inc., et al.

Debtor

Form: MOR-4**Case No.** 14 - 11126**Reporting Period:** May 5 - May 31**STATUS OF POSTPETITION TAXES****GSE Environmental, LLC**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	-	-	-	None	N / A	-
FICA-Employee	-	35,395	13,287	Multiple	Check / EFT	22,109
FICA-Employer	-	-	-	None	N / A	-
Unemployment	-	126	47	Multiple	Check / EFT	79
Income	-	40,156	-	None	N / A	40,156
Other:	-	-	-	None	N / A	-
Total Federal Taxes	-	75,677	13,334			62,343
State and Local						
Withholding	-	-	-	None	N / A	-
Sales	-	742,143	25,005	Multiple	Check / EFT	717,138
Sales Tax Refunds	-	(914,358)	-	None	N / A	(914,358)
Unemployment	-	-	-	None	N / A	-
Real Property	-	245,248	-	Multiple	Check / EFT	245,248
Personal Property	-	-	-	None	N / A	-
Other State Taxes	-	110,287	109,408	Multiple	Check / EFT	879
Total State and Local	-	183,320	134,413			48,907
Total Taxes	-	258,997	147,747			111,250

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	1,292,875	28,141	1,705	-	-	1,322,720
Wages Payable	-	-	-	-	-	-
Taxes Payable	111,250	-	-	-	-	111,250
Rent/Leases-Building	-	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-
Professional Fees	1,055,000	-	-	-	-	1,055,000
Amounts Due to Insiders*	-	-	-	-	-	-
Other: Post-Petition AP Accruals	396,365	-	-	-	-	396,365
Other: Post-Petition Received Not Vouchered	2,200,493	-	-	-	-	2,200,493
Total Postpetition Debts	5,055,983	28,141	1,705	-	-	5,085,829

Explain how and when the Debtor intends to pay any past-due postpetition debts.

Any post-petition past-due amounts will be cured in near-term payment runs unless any amounts are disputed.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re: GSE Environmental, Inc., et al.

Debtor

Form: MOR-4

Case No. 14 - 11126Reporting Period: May 5 - May 31, 20

GSE Environmental, LLC
Accounts Payable
Post - Petition

Pre / Post	Category	Balance as on 5/31/14	Due after 5/31/14	5/2/14 5/31/14	4/2/14 5/1/14	3/3/14 4/1/14	2/1/14 3/2/14	Due before 2/1/14
Post	Total Resin / Fiber	990,119.95	990,119.95	-	-	-	-	-
Post	Materials & Other Opex	202,768.78	201,697.22	391.80	679.76	-	-	-
Post	Freight	96,173.54	75,263.22	20,910.32	-	-	-	-
Post	Gross Payroll (inc. co expense)	1,200.00	-	1,200.00	-	-	-	-
Post	Repair & Maintenance	8,797.67	8,797.67	-	-	-	-	-
Post	Payments to Affiliates	-	-	-	-	-	-	-
Post	Prof Fees	-	-	-	-	-	-	-
Post	Corp Tax	-	-	-	-	-	-	-
Post	Corp Insurance	-	-	-	-	-	-	-
Post	Corp Other	12,157.64	5,494.16	5,638.48	1,025.00	-	-	-
Post	CAPEX Disbursements	11,502.37	11,502.37	-	-	-	-	-
Total	Post - Petition	1,322,719.95	1,292,874.59	28,140.60	1,704.76	-	-	-

In re: GSE Environmental, Inc., et al.

Debtor

Case No. 14 - 11126**Reporting Period:** May 5 - May 31, 2014**Form:** MOR-4**STATUS OF POSTPETITION TAXES****GSE Environmental, Inc.**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	-	-	-			-
FICA-Employee	-	-	-			-
FICA-Employer	-	-	-			-
Unemployment	-	-	-			-
Income	-	(113,385)	-	None	N / A	(113,385)
Other:	-	-	-			-
Total Federal Taxes	-	(113,385)	-			(113,385)
State and Local						
Withholding	-	-	-			-
Sales	-	-	-			-
Excise	-	-	-			-
Unemployment	-	-	-			-
Real Property	-	-	-			-
Personal Property	-	-	-			-
Other:	-	-	-			-
Total State and Local	-	-	-			-
Total Taxes	-	(113,385)	-			(113,385)

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Current	Number of Days Past Due				Total
	0-30	31-60	61-90	Over 90		
Accounts Payable	-	-	-	-	-	-
Wages Payable	-	-	-	-	-	-
Taxes Payable	-	-	-	-	(113,385)	(113,385)
Rent/Leases-Building	-	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Amounts Due to Insiders*	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Total Postpetition Debts	-	-	-	-	(113,385)	(113,385)

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re: GSE Environmental, Inc., et al.

Debtor

Case No. 14 - 11126Reporting Period: May 5 - May 31, 2014

Form: MOR-5

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

GSE Environmental, LLC

Accounts Receivable Reconciliation		4/30/14	5/31/14
Total Accounts Receivable at the beginning of the reporting period			25,435,140
+ Amounts billed during the period [1]			12,224,069
- Amounts collected during the period [1]			(10,371,441)
Total Accounts Receivable at the end of the reporting period		25,435,140	27,287,768
Accounts Receivable Aging		4/30/14	5/31/14
0 - 30 days old		21,021,542	22,435,938
31 - 60 days old		2,373,621	1,882,305
61 - 90 days old		1,306,930	1,074,573
91+ days old		1,314,634	2,476,540
Total Accounts Receivable		26,016,728	27,869,356
Amount considered uncollectible (Bad Debt)		(581,588)	(581,588)
Accounts Receivable (Net)		25,435,140	27,287,768

[1] Period is May 1 - May 31, 2014

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X