

GSE SYSTEMS INC
Form 10-Q
May 11, 2009

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

FORM 10-Q

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended March 31, 2009.
- OR
- 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 001-14785

GSE Systems, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

52-1868008
(I.R.S. Employer Identification No.)

1332 Londontown Blvd., Suite 200, Sykesville, MD 21784
(Address of principal executive office and zip code)

Registrant's telephone number, including area code: (410) 970-7800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

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

There were 15,983,690 shares of common stock, with a par value of \$.01 per share outstanding as of May 8, 2009.

GSE SYSTEMS, INC.

QUARTERLY REPORT ON FORM 10-Q

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Item 1. Financial Statements

GSE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	Unaudited March 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,709	\$ 8,274
Restricted cash	2,935	2,962
Contract receivables	11,790	10,951
Prepaid expenses and other current assets	1,490	1,110
Total current assets	24,924	23,297
Equipment and leasehold improvements, net	1,065	1,133
Software development costs, net	1,481	1,487
Goodwill	1,739	1,739
Long-term restricted cash	1,993	2,027
Other assets	688	1,332
Total assets	\$ 31,890	\$ 31,015
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,816	\$ 1,655
Accrued expenses	601	685
Accrued compensation and payroll taxes	1,257	1,234
Billings in excess of revenue earned	4,405	4,020
Accrued warranty	1,097	1,066
Other current liabilities	586	749
Total current liabilities	9,762	9,409
Other liabilities	887	906
Total liabilities	10,649	10,315
Commitments and contingencies	-	-
 Stockholders' equity:		
Preferred stock \$.01 par value, 2,000,000 shares authorized, shares issued and outstanding none in 2009 and 2008	-	-
Common stock \$.01 par value, 30,000,000 shares authorized, shares issued and outstanding 15,982,286 in 2009 and 15,968,122 in 2008	160	160
Additional paid-in capital	50,882	50,572
Accumulated deficit	(28,485)	(28,818)

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Accumulated other comprehensive loss	(1,316)	(1,214)
Total stockholders' equity	21,241	20,700
Total liabilities and stockholders' equity	\$ 31,890	\$ 31,015

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