

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

AMERICAN BUSING CORP
Form 10QSB
January 14, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 November 30, 2003.

AMERICAN BUSING CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	33-1025552
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification no.)

Suite 1400-3675 Pecos-McLeod Las Vegas, Nevada 89121-3881

23518 North 78th Street, Scottsdale, Arizona, 85255
Telephone (602) 206-3582 Facsimile: 480-502-0412

(Address and telephone number of principal executive offices)

Stepp Law Group
32 Executive Park, Suite 105, Irvine, California 92614
Tel: (949) 660-9700 Fax: (949) 660-9010

(Name, address and telephone number for Agent for Service)

Indicate by check mark 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.

(X) Yes / / No

As of January 12, 2004, the Registrant had 11,075,000 shares of Common Stock, par value \$0.001 per share outstanding.

AMERICAN BUSING CORPORATION

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION.....1

 ITEM 1. FINANCIAL STATEMENTS.....1

 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
 AND RESULTS OF OPERATIONS.....8

 ITEM 3. CONTROLS AND PROCEDURES.....12

PART II. OTHER INFORMATION.....12

 ITEM 1. LEGAL PROCEEDINGS.....12

 ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.....12

 ITEM 3. DEFAULTS UPON SENIOR SECURITIES.....12

 ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.....12

 ITEM 5. OTHER INFORMATION.....13

 ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.....13

SIGNATURES.....14

 EXHIBIT 32.1 - CERTIFICATIONS.....15

 EXHIBIT 32.2 - CERTIFICATIONS.....16

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

AMERICAN BUSING CORPORATION
(A Development Stage Company)

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

	Page

Consolidated Financial Statements:	
Consolidated Balance Sheet	F-2
Consolidated Statement of Operations	F-3
Consolidated Statement of Changes in Stockholders' Equity	F-4 - F-5
Consolidated Statement of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Form 10Q-SB Quarter Ending November 30, 2003

Page 1

AMERICAN BUSING CORPORATION
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET

ASSETS	November 30, 2003 (Unaudited)	August 31, 2003 (See Note 1)
CURRENT ASSETS		
Cash	\$ 6,028	\$ 1,706
Accounts Receivable	2,493	--
Total current assets	8,521	1,706
PROPERTY AND EQUIPMENT		
Transportation equipment (net of accumulated depreciation of \$4,290 at November 30, 2003; \$3,588 at August 31, 2003)	11,475	9,166
Total property and equipment	11,475	9,166
Total assets	\$ 19,996	\$ 10,872
CURRENT LIABILITIES		
Accounts payable	\$ 23,811	\$ 10,942
Advances from shareholder	20,000	20,000
Due to related parties	450	6,899
Accrued salaries	13,800	--
Total current liabilities	58,061	37,841
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common stock, \$.001 par value; 75,000,000 shares authorized, 11,075,000 shares issued and outstanding at November 30, 2003 and at August 31, 2003	11,075	11,075
Paid-in Capital	13,540	13,240
Discount on common stock issued	(7,990)	(7,990)
Income (deficit) accumulated during the development period	55,608)	(43,390)

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Other accumulated comprehensive income	928	106
	-----	-----
	(38,055)	(26,959)
Less: Share Subscription Receivable	10	10
	-----	-----
Total stockholders' equity	(38,065)	(26,969)
	-----	-----
Total liabilities and stockholders' equity	\$ 19,996	\$ 10,872
	=====	=====

F-1

Form 10Q-SB Quarter Ending November 30, 2003

Page 2

AMERICAN BUSING CORPORATION
(A Development Stage Company)

CONSOLIDATED STATEMENT OF OPERATIONS

Unaudited

	Three months ended November 30, 2003	Three months ended November 30, 2002	August 2003 (incept thru November 2002)
	-----	-----	-----
Revenues	\$ 39,782	\$ 29,898	\$ 17,000
Expenses:			
Transportation expense	9,553	10,706	5,000
Salaries	27,936	7,965	6,000
Advertising	130	--	--
Depreciation	450	793	--
Insurance and Licenses	1,270	1,278	--
Professional Services	11,436	--	4,000
Management Fees	--	--	4,000
Services paid by issuing common shares	--	--	--
Administrative expenses	925	2,772	--
Total expenses	51,700	23,514	22,000
Income (Loss) before income taxes	(11,918)	6,384	(5,000)
Interest expense	(300)	--	--
Income taxes (benefit)	--	3,093	--

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Net Income (Loss)	\$ (12,218)	\$ 3,291	\$ (5
Net Income per common share	\$ *	\$ *	\$
Average common shares outstanding	11,075,000	9,150,000	10,55
* Less than \$.01 per share			
Other Comprehensive Income:			
Net Income	\$ (12,218)	\$ 3,291	\$ (5
Foreign currency translation adjustment	822	28	
Total comprehensive income	\$ (11,396)	\$ 3,319	\$ 5

F-2

Form 10Q-SB Quarter Ending November 30, 2003

Page 3

AMERICAN BUSING CORPORATION
(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

August 7, 2002 (Inception) Through November 30, 2003

	Common Stock Shares	Common Stock Amount	Discount On Common Stock	Paid in Capital	Accumul Othe Comprehe Inco
Common stock issued on August 7, 2002	100	\$ 65	\$ --	\$ --	\$
Recapitalization on reverse acquisition August 8, 2002	7,999,900	7,935	(7,935)	--	
Net income for the period from August 7, 2002 (inception) through August 31, 2002	--	--	--	--	

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Balance August 31, 2002	8,000,000	8,000	(7,935)	--
Common stock issued on October 22, 2002 private placement	2,000,000	2,000	--	--
Common stock issued on October 31, 2002 private placement	1,050,000	1,050	--	9,450
Redemption of common stock November 12, 2002	(8,000,000)	(8,000)	7,935	65
Issuance of common stock on November 12, 2002	8,000,000	8,000	(7,990)	--
Issuance of common stock on June 6, 2003	25,000	25	--	3,725

F-3

Form 10Q-SB Quarter Ending November 30, 2003

Page 4

AMERICAN BUSING CORPORATION
(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

August 7, 2002 (Inception) Through November 30, 2003, Continued

	Common Stock Shares	Common Stock Amount	Discount On Common Stock	Paid in Capital	Accumul Othe Comprehe Inco
	-----	-----	-----	-----	-----
Net income for the period from September 1, 2002 through August 31, 2003	--	--	--	--	
Balance, August 31, 2003	11,075,000	11,075	(7,990)	13,240	
Capital contributed by Shareholder (unaudited)	--	--	--	300	
Net income for the period					

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

from September 1, 2003
through November 30, 2003
(unaudited)

	--	--	--	--	
	-----	-----	-----	-----	-----
	11,075,000	11,075	(7,990)	13,540	
Less common stock subscription receivable	--	--	--	--	
	-----	-----	-----	-----	-----
Balance, November 30, 2003 (unaudited)	11,075,000	\$ 11,075	\$ (7,990)	\$ 13,540	\$
	=====	=====	=====	=====	=====

F-4

Form 10Q-SB Quarter Ending November 30, 2003

Page 5

AMERICAN BUSING CORPORATION
(A Development Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited

	Three Months Ended November 30, 2003	Three Months Ended November 30, 2002	
	-----	-----	-----
Cash flows from operating activities:			
Net Income (loss)	\$ (12,218)	3,291	
Reconciling Adjustments:			
Depreciation	450	793	
Imputed interest on advances payable	300	--	
Common stock issued for services	--	--	
Change in operating assets and liabilities:			
Accounts Receivable	(2,493)	(10,853)	
Bank Overdraft	--	3,182	

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Accounts payable	12,869	(2,811)
Accrued salaries	13,800	-
Accounts payable - related parties	(6,449)	(330)
Income tax payable	--	3,107
Net cash provided (used) by operating activities	6,259	(3,621)
Cash flows from financing activities:		
Shareholders advances	--	--
Share capital issued	--	12,500
Cash provided by financing activities	--	12,500
Cash flows from investing activities:		
Acquisition of property and equipment	(2,759)	(909)
Cash (used) by investing activities	(2,759)	(909)
Foreign currency translation adjustment	822	28
Net change in cash	4,322	7,998
Beginning cash balance	1,706	2,091
Ending cash balance	\$ 6,028	10,089
Supplemental disclosure of cash flow information:		
Cash paid during the period for -		
Interest	--	--
Income taxes	--	--

F-5

Form 10Q-SB Quarter Ending November 30, 2003

Page 6

AMERICAN BUSING CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

Note 1 - Financial Statements

American Busing Corporation has prepared the accompanying consolidated financial

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

statements included herein without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the August 31, 2003 audited restated financial statements and the accompanying notes thereto. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are in some respects dependant upon the facts that will exist, and procedures that will be accomplished by the Company later in the year. The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. In management's opinion all adjustments necessary for a fair presentation of the Company's financial statements are reflected in the interim periods included.

Amounts shown for August 31, 2003 were taken from the audited financial statements of that date.

Note 2 - Financial Statements

The advances made by the shareholder is non-interest bearing and that interest has been imputed at the rate of 6% per annum.

F-6

Form 10Q-SB Quarter Ending November 30, 2003

Page 7

AMERICAN BUSING CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

OF OPERATIONS

DESCRIPTION OF BUSINESS

Paratransit Busing Corporation was incorporated on July 23, 2002, for the purpose of participating in the transportation industry. In that regard, Paratransit Busing Corporation caused American Busing Company, a Nevada corporation, to be formed on August 5, 2002, and Able Busing Corporation, a Saskatchewan corporation, to be formed on August 7, 2002.

Paratransit Busing Corporation is owned by Perry Ceccarelli. Shortly after incorporating Paratransit Busing Corporation, American Busing Company, and Able Busing Corporation, Mr. Ceccarelli learned that his mother had little time to live, and, therefore, Mr. Ceccarelli decided to discontinue the participation by him and Paratransit Busing Corporation in the transportation business.

Paratransit Busing Corporation is considered to be our predecessor from the period commencing on July 23, 2002, until August 5, 2002 (our date of incorporation). During this time Paratransit Busing Corporation had no operations. We have no financial statements of Paratransit Busing Corporation to include herein. We believe that the financial situation of Paratransit Busing Corporation for that period that it was our predecessor are not material and, therefore, we have decided not to include those financial statements herein.

We were established for the purpose of conducting the business of busing handicapped persons to various educational programs that are undertaken by their caregivers. It is the Company's objective to provide to its clients an efficient, professional and safe transportation of these persons to and from their learning programs.

To accomplish the above objective the founder of our company, Perry Ceccarelli, had his company Paratransit Busing Corporation establish American Busing Company (a Nevada company) and Able Busing Corporation (a Saskatchewan, Canada company). Once this was completed a reorganization was put into effect so that American Busing Corporation solely owned Able Busing Corporation. The reorganization was effected by Paratransit Busing Corporation selling its 100 shares in Able Busing Corporation to us in exchange for 8,000,000 common shares in our company. This transaction is commonly referred to as a reverse acquisition. There were no material agreements in completing this reverse acquisition because Paratransit Busing Corporation controlled both Able Busing Corporation and American Busing Corporation. Able Busing Corporation was not an operating entity prior to the reverse acquisition. The business purpose for performing the reverse acquisition was to establish a parent and subsidiary corporate structure that allowed our company to carry on business in the Province of Saskatchewan, Canada through a subsidiary corporation registered to carry on business in that province. The Company is the sole shareholder of Able Busing Company established for the purpose of busing handicapped or mentally challenged persons for Cosmopolitan Learning Centre Inc. in the Province of Saskatchewan, Canada. The Company has established this subsidiary to enter the transportation industry in this market. The sole director of the subsidiary is Ms. Kim Dmuchowski. We employ 8 employees including Mr. Forister and Ms. Dmuchowski with no full time employee's.

Mr. Perry Ceccarelli was from the date of our inception (August 5, 2002) to the date of his departure on November 12, 2002 the sole director and officer of our company. Mr. Ceccarelli resigned these positions on November 12, 2002 because of the impending death of his mother and therefore was unable to fulfill his duties to the Company. As a result we redeemed Paratransit Busing Corporation 8,000,000 shares for no consideration and issued from treasury an additional 8,000,000 shares to Mr. Edmond Forister an existing shareholder in our company for \$10, which passed control to Mr. Edmond Forister. Mr. Edmond Forister then became the

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

sole director and officer of our company and still maintains those roles to the date of this registration statement.

We have insured our buses from loss or damage through the purchase of our Government of Saskatchewan license plates. This insurance is provided by the Government of Saskatchewan and is provided to every vehicle license plate holder by law. If our buses are in an accident that is our fault we have to pay a \$750 deductible. This deductible pays to repair our bus and the other persons vehicle. If the accident is not our fault we pay nothing and the government sponsored insurance fund pays for the repair of our bus. We also carry \$2,000,000 personal insurance if any person or third party is injured on or by our buses.

Form 10Q-SB Quarter Ending November 30, 2003

Page 8

AMERICAN BUSING CORPORATION

The role of Mr. Edmond Forister, the sole officer and director of the Company, is to ensure all private placement funding is conducted in accordance with all securities legislation; that all accounting functions in the parent and subsidiary are complete and accurate and prepared in a timely fashion; and, to ensure all Federal and State public filings are complete and accurate.

The role of Ms. Kim Dmuchowski is to conduct the day-to-day operations of the subsidiary to the satisfaction of our one client, Cosmopolitan Learning Centre Inc. Ms. Dmuchowski ensures that the drivers maintain their buses and student delivery schedules are maintained. The drivers of the buses have a high degree of autonomy in determining their routes, schedules and are responsible for maintaining the bus that they drive and reporting the cost to Ms. Dmuchowski for payment by the subsidiary company. Mr. Dmuchowski is responsible for handling all complaints for the client.

The Company's subsidiary, Able Busing Company, executed a material contract with the Cosmopolitan Learning Centre Inc. on August 26, 2002 to provide busing services. This contract is for a term of two years and pays the subsidiary company \$13,266.32 USD (\$16,980.90 CDN) including Goods and Services Tax each month or \$159,195.93 USD (\$203,770.80 CDN) annually. The contract has provisions to increase this compensation by the amount of \$116.96 USD (\$149.71 CDN) plus Goods and Services Tax for each person that is bused in excess of 106 persons. The contract also provide for a 3% inflation increase to the above prices after the first year of service.

The Company intends to target the following primary markets:

- a) Other organizations requiring the busing of their handicapped or mentally challenged persons;
- b) Urban private and public school busing of students from kindergarten to completion of high school;
- c) Rural private and public school busing of students from kindergarten to completion of high school.

The competitive business condition faced by our Company is the ability to lobby decision makers who decide busing contracts. Upon the awarding of a contract, the Company can obtain financing, if required, based on the terms of this contract with major financial institutions who lend money by taking as security

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

the income stream from the contract. In the busing industry the bus drivers who drive the bus will follow the company who obtains the contract. In our circumstances with Cosmopolitan Learning Centre Inc. we effectively lobbied the decision makers and won the contract, purchased the buses from the previous contractor and hired the drivers who drove those buses.

Our Company is one of the smallest busing companies in the busing industry in the Province of Saskatchewan. We intend to increase our position in the industry by effectively lobbying other decision makers as the busing contracts come up for bid or renewal.

The Company believes that the overall growth of its business will be prefaced on the reference it receives from its performance on the Cosmopolitan Learning Centre Inc. contract. Upon a good reference being received endorsing the Company's successful performance of the contract it will be able to apply or bid on other similar contracts in this industry. No government approval is required for the busing of handicapped students in the Province of Saskatchewan nor are we aware of the necessity for government approval of busing handicapped students in other markets we might be interested in.

As of January 12, 2004 the Board of Directors of Cosmopolitan Learning Centre Inc. had still not voted on extending our contract with it under similar terms and conditions for a period of 5 years. The Company has been advised that this will occur in the first quarter of 2004.

In addition we are presently involved in negotiating the acquisition of another company in motor sports industry. Please see our 14F-1 filed with the SEC on December 24, 2003 and our discussion under other information below.

AMERICAN BUSING CORPORATION

INDUSTRY OVERVIEW

Our company participates in the education busing industry by busing handicapped students to their learning center.

The busing of students both handicapped and non-handicapped is characterized by intense and substantial competition. A number of our competitors are well established, substantially larger and have substantially greater market recognition and greater resources. Increased competition by existing and future competitors could materially and adversely affect our profitability. Moreover, our success depends on maintaining a high quality of efficiency so that timeliness of delivery is achieved.

We will compete with other busing providers in the education busing industry such as First Bus Canada Limited and Southwest Contract Services Inc. Further, other busing providers may follow a business strategy similar to ours and may compete directly with us for the same customers. Most of our competitors have

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

significantly greater financial, technical, marketing and other resources than we have.

These potential competitors may be able to respond more quickly to new or changing opportunities, equipment requirements and customer requirements than us and may be able to undertake more extensive promotional activities, offer more attractive terms to customers and adopt more aggressive pricing policies than we do.

The Company intends to target the following primary markets:

- (a) Other organizations requiring the busing of their handicapped or mentally challenged persons;
- (b) Urban private and public school busing of students from kindergarten to completion of high school;
- (c) Rural private and public school busing of students from kindergarten to completion of high school.

The competitive business condition faced by our Company is the ability to lobby decision makers who decide busing contracts. Upon the awarding of a contract, the Company can obtain financing, if required, based on the terms of this contract with major financial institutions who lend money by taking as security the income stream from the contract. In the busing industry the bus drivers who drive the bus will follow the company who obtains the contract. In our circumstances with Cosmopolitan Learning Centre Inc. we effectively lobbied the decision makers and won the contract, purchased the buses from the previous contractor and hired the drivers who drove those buses.

REVENUE

We have a total comprehensive loss of (\$11,396) for the three month period ended November 30, 2003 as compared to the \$3,319 comprehensive income earned for the three month period ended November 30, 2002 (the "Comparative Period"). Our increase in comprehensive loss is as a result of paying professional fees during this 3 month period of \$11,436 versus none in the prior comparable period and increasing our salaries expense by putting a manager on the payroll. The Net Loss to date reflects that our Company operates at a loss due to the start-up nature of our business.

EXPENSES

We anticipate that our transportation expense will remain relatively stable in the future because this category will capture all expenses incurred to operate the vehicles such as gas and maintenance for the year. We anticipate that this expense will be approximately \$38,000 for the period September 1, 2003 to August 31, 2004 given the current rate of expenditure. The reduction of \$1,153 for the Comparative Period is attributable to the drivers knowing their bus route better than when they first started their routes during the period.

We anticipate that our salaries including statutory remittances will remain stable in the future because this category will capture all expenses incurred to pay our bus drivers and manager of approximately \$110,000 for the period September 1, 2003 to August 31, 2004. Salaries have increased during the Comparative Period by \$19,971 due to the company hiring a manager.

AMERICAN BUSING CORPORATION

We anticipate that advertising expense will remain stable in the future because we don't have to do much advertising to service the contract. Advertising has increased during the Comparative Period by \$130 due to the company buying lunch for the drivers from time to time, which was not done last year.

We anticipate that our depreciation expense will remain relatively stable in the future because this category will capture the capital cost depreciation of our buses and equipment of approximately \$1,800 for the period September 1, 2003 to August 31, 2004.

We anticipate that our insurance and licenses expense will remain relatively stable in the future because the licensing agency has not materially increased its fees for insuring the buses. We anticipate that this expense will be approximately \$5,080 for the period September 1, 2003 to August 31, 2004. This expense has increased during the Comparative Period by \$8 and therefore is not material.

We anticipate that our professional services fees will increase in the future because we are continuing our public company status and the expenses that go along with filing with the Securities Exchange Commission our quarterly and year end reports. We have also retained professionals to perform services regarding the acquisition of other companies. We anticipate that this expense will be approximately \$20,000 for the period September 1, 2003 to August 31, 2004. This expense has increased during the Comparative Period by \$11,436 because we commenced incurring expenses to become public subsequent to November 30, 2002.

We anticipate that our administrative expenses will remain stable in the future because we will continue to be a reporting company and filing the requisite quarterly and annual reports with the Securities and Exchange Commission. We anticipate that this expense will be \$3,700 for the period September 1, 2003 to August 31, 2004. This expense has decreased during the Comparative Period by \$1,847 because we did less administratively and paid our professionals to maintain our public status.

We anticipate that our income taxes will be zero for the period September 1, 2003 to August 31, 2004 as we intend to pay our subsidiaries management, which will use up most of our profit.

Due to the foregoing factors, our operating results are difficult to forecast. You should evaluate our prospects in light of the risk, expenses and difficulties commonly encountered by comparable development-stage companies in the bus transportation industry. We cannot assure you that we will successfully address such risks and challenges. In addition, even though we have successfully commenced satisfying our first busing contract, we cannot assure you that our revenues will increase or that we will become profitable in the future.

LIQUIDITY AND CAPITAL RESOURCES

Since the date of our incorporation, we have raised an aggregate of \$12,500 subsequent to August 31, 2002 year end. These monies were raised from two private offerings pursuant to Regulation D Rule 506. The remainder of our financing has been through shareholders advances of \$20,000. Future cash flow financing will also be earned from the operations of the business. We anticipate

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

that the company will be profitable next year and earn the necessary money to continue the operation.

For the three month period ended November 30, 2003 our operating activities have provided cash resources of approximately (\$6,259). Our positive operating cash flow resulted principally due to accounting for our operation on an accrual accounting basis. Our accounts payable of \$12,869 and accrued salaries of \$13,800 represents the major reason why we show positive cash flow from our operation. We anticipate that our subsidiary will operate near or at break even for its first full fiscal year.

For the three months ended November 30, 2003 our financing activities were zero versus the company raising \$12,500 during the Comparative Period.

Our investing activities consisted of our subsidiary purchasing a bus.

Form 10Q-SB Quarter Ending November 30, 2003

Page 11

AMERICAN BUSING CORPORATION

At November 30, 2003 we had cash and cash equivalents of \$6,028 and as of November 30, 2002 we had cash and cash equivalents of \$10,089. This cash combined with the monies raised from our Regulation D rule 506 private placements of \$12,500 in 2002, shareholder advances of \$20,000 in 2003 and our anticipated revenue of \$159,195.93 should provide sufficient cash and cash equivalents to fund our operations for the next 12 months.

If cash generated from operations, our private placements and present cash is insufficient to meet our long-term liquidity needs, we may need to raise additional funds or seek other financing arrangements. Additional funding may not be available on favorable terms or at all. In addition, although there are no present understandings, commitments, or agreements with respect to any acquisition of other businesses we may, from time to time, evaluate potential acquisitions of other busing businesses to enhance our business. In order to consummate potential acquisitions, we may issue additional securities or need additional equity or debt financing and any such financing may be dilutive to existing investors.

ITEM 3. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures. An evaluation was performed, under the supervision and with the participation of the Company's President, Chief Executive Officer, Chief Financial Officer and Director and the Company's accountant, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Company's principal executive officer and accountant concluded that the Company's disclosure controls and procedures were effective as of November 30, 2003.

(b) Changes in Internal Controls. There has been no change in the Company's internal control over financial reporting during the quarter ended November 30,

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

2003, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) We have designed controls and procedures to ensure all material information is disclosed in our financial statements and our public reports. These controls included having competent professionals prepare our financial statements and management reviewing the financial statements with our professionals to ensure they present fairly our financial position and results of operations. We have concluded that our controls are sufficient and effective to achieve the above goal.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There has been no legal proceedings issued against or commenced by the company.

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.

Form 10Q-SB Quarter Ending November 30, 2003

Page 12

AMERICAN BUSING CORPORATION

ITEM 5. OTHER INFORMATION

Controls

We have designed controls and procedures to ensure all material information is disclosed in our financial statements and our public reports. These controls included having competent professionals prepare our financial statements and management reviewing the financial statements with our professionals to ensure they present fairly our financial position and results of operations. We have concluded that our controls are sufficient and effective to achieve the above goal.

Negotiation of purchase of motor sports retailer

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

Pursuant to a Stock Purchase and Reorganization Agreement (the "Reorganization Agreement"), by and among the Company, Edmond Forister, the sole officer,

director and controlling shareholder of the Company, and the three (3) shareholders of W.W. Cycles Inc., an Ohio corporation that is a retail dealer of motorcycles, all terrain vehicles, scooters and personal watercraft (the "Cycles Shareholders"), which the Company intends to execute and enter into on or around

December 30, 2003, and certain related agreements delivered in connection with the Reorganization Agreement (collectively, the "Related Agreements"), (i) the

Cycles Shareholders shall exchange all 100 issued and outstanding shares of common stock of Cycles owned by them for 7,850,000 shares of the Company's Common Stock, (ii) two (2) of the Cycles Shareholders shall purchase an additional 150,000 shares of Common Stock from IFG Investment Services, Inc., a Company shareholder (the "Selling Shareholder or IFG") for an aggregate purchase

price of \$178,750, (iii) the Company shall repurchase from Mr. Forister, 8,500,000 shares of Common Stock owned by him and repay all outstanding loans made by Mr. Forister to the Company (in an aggregate approximate amount of \$30,000) for an aggregate consideration of \$21,250, (iv) the Company will sell to Kim Dmuchowski, the sole officer and director of Able, all 100 shares of common stock of Able issued and outstanding so that Able will no longer be a subsidiary of the Company, and (v) Mr. Forister, the sole officer and director of the Company shall resign and be replaced by Russell A. Haehn and Gregory A. Haehn, two of the Cycles Shareholders (collectively, the "Acquisition Events").

Immediately following the closing of the Acquisition Events, (i) the Cycles Shareholders will own approximately 76.74% of the Company's issued and outstanding shares of Common Stock and (ii) Cycles shall be a wholly-owned subsidiary of the Company.

It is the intention of the Company, Mr. Forister, the Selling Shareholder and the Cycles Shareholders to complete the closings of the Acquisition Events as soon as reasonably possible, but in any event no later than January 15, 2004. However, the obligations of the parties to consummate the Acquisition Events are subject to satisfaction of certain conditions precedent. One such condition precedent to closing under the Reorganization Agreement is compliance with Rule 14f-1 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act") which requires the Company

to provide prior written notice to its shareholders of the anticipated change in identity of the members of its Board of Directors not less than ten (10) days prior to date upon which the new directors are to take office.

There is no assurance that the parties will enter into the Reorganization and the Related Agreements, or in the event that they do, that they will consummate the transactions contemplated by such agreements, because there is no assurance that the parties will satisfy all of the conditions for closing.

It is contemplated that prior to the closing of the Acquisition Events IFG will pay less than \$.01 per share for the 150,000 shares of Common Stock of the Company. Under the terms of the Related Agreement covering the purchase of the Selling Shareholder's shares of Common Stock, the Cycles Shareholders are purchasing the 150,000 shares of Common Stock for a total purchase price of \$178,750, or \$1.19 per share. As a result, the Selling Shareholder is making a substantial profit on the sale of the 150,000 shares of Common Stock. The Selling Shareholder has also provided consulting services to the Company with

Edgar Filing: AMERICAN BUSING CORP - Form 10QSB

respect to the Acquisition Events.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

-
- 31.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
 - 32.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Form 10Q-SB Quarter Ending November 30, 2003

Page 13

AMERICAN BUSING CORPORATION

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.

AMERICAN BUSING CORPORATION.

Dated: January 12, 2004

By: /s/ Edmond Forister

Name: Edmond Forister
Title: President, Chief Executive
Officer, and Chief Financial
Officer

