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USA TELCOM INTERNATIONALE

Form 10QSB

August 20, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-QSB

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2003

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: 000-1096768

USA Telcom Internationale

(Exact name of registrant as specified in its charter)

Nevada

88-0408213

(State or other jurisdiction of (I.R.S. Employer Identification
incorporation or organization) No.)

6655 W. Sahara, Suite 200
Las Vegas, NV

89146

(Address of principal executive
offices)

(Zip Code)

(702) 524-4149

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed
since last report)

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.

Yes ☒ No ☐

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all
documents and reports required to be filed by Sections 12, 13 or
15(d) of the Securities Exchange Act of 1934 subsequent to the
distribution of securities under a plan confirmed by a court.

Yes ☐ No ☐

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APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date:

4,250,000

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USA TELCOM INTERNATIONALE

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PART I - FINANCIAL INFORMATION
Item 1. Unaudited Financial Statements

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("Commission"). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, which are included in the Company's Registration Statement on Form 10-KSB previously filed with the Commission on April 21, 2003.

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

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USA Telcom Internationale
(a Nevada Corporation)
Balance Sheet
(unaudited)

June 30,
2003

Assets

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Current assets:	
Cash	\$208

	208

Fixed assets, net	655
Other assets:	
Investments	500
Security deposit	5,000
Notes receivable	235,925

Total other assets	236,425

	\$237,288
	=====
Liabilities and Stockholders' Equity	
Current liabilities:	
Accrued expenses	\$9,680
Loan payable - related party	22,507

Total current liabilities	32,187

Stockholders' equity:	
Common stock, \$0.001 par value, 25,000,000 shares authorized, 4,250,000 shares issued and outstanding	4,250
Additional paid-in capital	174,743
Retained earnings	26,108

	205,101

	\$237,288
	=====

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

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USA Telcom Internationale
(a Nevada Corporation)
Statements of Operations
(unaudited)

Three Months Ended		Six Months Ended	
June 30,		June 30,	
2003	2002	2003	2002

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Revenue	\$-	\$-	\$-	\$-
Expenses:				
General and administrative expenses	22,039	10,786	41,484	24,888
Depreciation	43	761	86	829
Total expenses	22,082	11,547	41,570	25,717
Other income (expense):				
Interest income	32,038	923	64,076	1,936
Interest (expense)	-	(489)	-	(489)
Total other income (expense)	32,038	434	64,076	1,447
Net income (loss)	\$9,956	\$ (11,113)	\$22,506	\$ (24,270)
Weighted average number of common shares outstanding - basic and fully diluted	4,250,000	4,250,000	4,250,000	4,250,000
Net income (loss) per share - basic and fully diluted	\$0.00	\$ (0.00)	\$0.01	\$ (0.01)

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

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USA Telcom Internationale
(a Nevada Corporation)
Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2003	2002
Cash flows from operating activities		
Net income (loss)	\$22,506	\$ (24,270)
Depreciation	86	829
Adjustments to reconcile net income (loss) to net cash (used) by operating activities:		
Decrease in account receivable	-	(7,500)
Decrease in security deposit	5,000	-
(Increase) in interest receivable	-	(24)
Increase in accrued expenses	9,680	4,728
Net cash provided (used) by operating activities	37,272	(11,237)
Cash flows from investing activities		
Purchase of fixed assets	-	(14,717)
(Increase) in loan receivable	(235,925)	-
Net cash (used) by investing activities	(235,925)	(14,717)

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Cash flows from financing activities		
Increase in loan payable - related party	22,507	742
Net cash provided by financing activities	22,507	742
Net (decrease) in cash	(176,146)	(25,212)
Cash - beginning	176,354	48,364
Cash - ending	\$208	\$23,152
Supplemental information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

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

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USA Telcom Internationale (a Nevada Corporation) Notes

Note 1 - Basis of presentation

The consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2002 and notes thereto included in the Company's 10-KSB annual report. The Company follows the same accounting policies in the preparation of interim reports.

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Results of operations for the interim periods are not indicative of annual results.

Note 2 - Notes receivable

On January 1, 2003, the Company executed an irrevocable loan agreement in which the borrower agrees to pay the total loan sum of \$300,000 on or before December 30, 2003. This amount includes the principle of \$171,850, and associated points, fees and interest. During the six month period ended June 30, 2003, total interest income of \$64,076 was accrued.

Note 3 - Related party transactions

During the six months ended June 30, 2003, the president and CEO loaned a total of \$22,507 to the Company. The loan is due upon demand and bears no interest.

The Company does not lease or rent any property. Office space and services are provided without charge by a director. Such costs are immaterial to the financial statements and, accordingly, have not been reflected therein. The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

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Item 2. Management's Discussion and Plan of Operation

Forward-Looking Statements

This Quarterly Report contains forward-looking statements about USA Telcom Internationale's business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, USTC's actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to

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identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

Three Months Ended June 30, 2003 Compared to the Three Months Ended June 30, 2002

Income and Loss

The Company did not generate any revenues during the three month periods ended June 30, 2003 and 2002. The total operating expenses for the three months ended June 30, 2003 were approximately \$22,082 as compared to approximately \$11,547 for the three months ended June 30, 2002. Management of the Company believes that the increase resulted primarily from increases in general administrative expenses related to ongoing operational expenses.

During the period ended June 30, 2002, the Company realized \$923 in interest income. During the second quarter of 2003, the Company recognized \$32,038 of interest income received. The increase in interest income period-over-period is attributable to a loan agreement for an aggregate of \$300,000, inclusive of points, fees and interest that the Company entered into on January 1, 2003. The total amount of the loan is due on or before December 31, 2003.

In the three months ended June 30, 2003, USA Telcom's operations resulted in a net income of approximately \$9,956 as compared to a net loss of approximately \$11,113 for the three months ended June 30, 2002.

Liquidity and Capital Resources

At June 30, 2003, USA Telcom had cash in the amount of \$208. At June 30, 2002, USA Telcom had cash in the amount of \$23,152. The decrease in cash is attributable primarily to an increase of \$235,925 in loans receivable. USA Telcom believes that cash on hand is not sufficient to continue operations for the next twelve months. If our costs of operations increase unexpectedly, we may need to raise additional capital by issuing equity or debt securities in exchange for cash. Notwithstanding this, there can be no assurance that we will be able to secure additional funds in the future to stay in business.

The Company continues to act as an agent in commercial transactions involving Vietnamese purchasers and U.S. manufacturers. USA Telcom also is considering several real estate investments in Vietnam and is examining the possible establishment of a coconut processing facility in Vietnam.

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Item 3. Controls and Procedures

Within 90 days prior to the date of filing of this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive

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Officer (who effectively serves as our Chief Financial Officer), of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective for gathering, analyzing and disclosing the information we are required to disclose in the reports we file under the Securities Exchange Act of 1934, within the time periods specified in the SEC's rules and forms. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date of this evaluation.

PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit Name and/or Identification of Exhibit
Number

- 3 Articles of Incorporation & By-Laws
 - a. Articles of Incorporation of the Company incorporated by reference herein filed as Exhibit 3(a) to Form 10SB12G filed on March 11, 2002
 - b. By-Laws of the Company incorporated by reference herein filed as Exhibit 3(b) to Form 10SB12G filed on March 11, 2002
- 31 Rule 13a-14(a)/15d-14(a) Certifications
- 32 Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)

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SIGNATURES

Pursuant to the requirements of the Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

USA TELCOM INTERNATIONALE

(Registrant)

By: /s/ Allen Jones

Allen Jones, President

Date: August 20, 2003

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