

America's Trains Inc.
Statement of Revenue and Expenses

For the period ending December 31st, 2019

| | | |
|--------|---------------------------|---------------------|
| Note 1 | Revenue | \$ 0.00 |
| | Expenses | |
| | Bank charges | \$ 43.54 |
| | Car selection, inspection | 6,800.00 |
| | Courier, mail | 6.30 |
| | Internet, wifi | 1,131.11 |
| | Marketing and sales | 398.92 |
| | Memberships | 90.00 |
| | Miscellaneous | 60.80 |
| | Office space | 1,920.00 |
| | Office supplies | 563.00 |
| | Telephone | 1,047.00 |
| | Travel | 3,382.87 |
| | Utilities | 420.00 |
| Note 2 | Wages | 72,000.00 |
| | Web site | 2,320.24 |
| | | <u>\$ 90,183.78</u> |

America's Trains Inc.
Balance Sheet

December 31st, 2019

ASSETS

Current Assets

| | |
|-----------------------------|------------------|
| Cash and cash equivalents | \$ 19,572 |
| Prepayment | 1,480 |
| Total Current Assets | <u>\$ 21,052</u> |

Fixed Assets

| | | |
|--------|--------------------------|-------------------|
| Note 3 | Intangible assets | \$ 208,485 |
| Note 4 | Rail cars | 534,200 |
| | Supplies | 740 |
| | Marketing materials | 1,602 |
| | Equipment | 6,600 |
| Note 5 | Accumulated amortization | |
| Note 6 | Accumulated depreciation | -2,640 |
| | Net Fixed Assets | <u>\$ 748,987</u> |

Other Assets

| | |
|---------------------------|-----------------|
| Deposits | \$ 355 |
| Organization Costs | 1,420 |
| Total Other Assets | <u>\$ 1,775</u> |

Total Assets

\$ 771,814

LIABILITIES

Current Liabilities

| | | |
|------------------|----------------------------------|---------------|
| Accounts payable | \$ 3,100 | |
| Note 7 | Unpaid wages | 63,000 |
| Note 4 | Equipment, rail cars | 15,000 |
| | Total Current Liabilities | <u>81,100</u> |

Long Term Liabilities

| | | |
|--------|----------------------|------------|
| Note 4 | Equipment, rail cars | \$ 469,500 |
|--------|----------------------|------------|

Total Liabilities

\$ 550,600

Stockholder Equity

| | | |
|--------|---|-------------------|
| Note 8 | Common Voting Stock, no par value, 50,000,000 | |
| | Issued 1,238,540 shares | \$ 618,112 |
| Note 9 | Preferred Non-voting Stock, no par value, 1,000,000 | |
| | Issued | 0 |
| | Retained Earnings | -438,112 |
| | Total Stockholder Equity | <u>\$ 221,214</u> |

Total Liabilities and Stockholder Equity

\$ 771,814

America's Trains Inc – Statement of Revenue and Expenses, and Balance Sheet

The accompanying statement of revenue and expenses and balance sheet for America's Trains Inc has been prepared by management pursuant to procedures used in prior CPA reviews.

America's Trains Inc. business is the provision of railroad vacations (Journeys by Rail) on rebuilt passenger train cars over expanding routes, eventually throughout the USA and into Canada, in collaboration with Amtrak and regional railroads. The corporation will also offer rail cars for business presentations and recreational activities, provide management of rail car operations and special event services, and may sell personal property rail car timeshare units (Train'Shares™) in train sets (multiple sets of rail cars traveling together) and shared ownerships (Fractional Interests) of individual self sufficient rail cars directly or through a separate corporate entity.

The corporation's objective is the profitable introduction of Journeys by Rail in the USA and into Canada starting with a single Car, without excessive capital investment (compared to revenue and the favorable return on investment) while avoiding risk and securing enduring market dominance.

Notes to the Statement of Revenue and Expenses, and Balance Sheet

1. Initial revenue comes from the sale of individual Journey by Rail vacations. Already available direct and travel agent sales are expected to exceed passenger capacity for a couple of years, and thereafter based on longer term marketing indications. Reservation confirmations will be made and related revenue will begin when Journey departure dates are finalized. Subsequent sources of revenue may come from the sale of Train'Shares, Fractional Interests and other services.
2. Wages are for management and remain unpaid; see note 7.
3. The corporation acquired exclusive rights to aspects of the corporation's business including ideas, concepts, techniques, processes, procedures, materials, works of authorship, contacts, relationships, confidential information, trade secrets, sales data, rail car acquisition and use agreements, intellectual property, the business model and related rights from present principals and managers for \$180,000, paid by common stock.
4. Rail cars include a single high (two) level rail car that is financed by a capitalized lease agreement. The fixed asset value of the car includes payments to date, the balance owed, the cost of improvements to date and related expenses. Monthly payments are \$1,500. Payment of the principal balance owed is due in July 2022. The total improved cost and related value is expected to be about \$775,000. Mechanical improvements are completed. The car is Amtrak certified and operational except that interior refurbishing is not yet completed. The corporation has rights with no specific obligation for two additional cars not included in the balance sheet, and sources for subsequent cars.
5. Intangible asset amortization will begin when assets are used in an activity to produce income.
6. Rail car depreciation will begin when cars are placed in service to produce income. Present depreciation is for other equipment.
7. Unpaid wages are for management. It is intended that payment will be made with allocated common stock valued at not less than \$0.50 per share.
8. A large number of common shares are authorized to facilitate potential changes in stock ownership arrangements, private or public.
9. Preferred stock is authorized to provide for raising additional capital by a SEC Regulation Crowdfunding or other offering.