

Rhino Outdoor International, Inc.  
Form 10QSB/A  
December 21, 2006

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 10-QSB/A**

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2006

Transition report under Section 13 or 15(d) of the Exchange Act for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: **333-62690**

**RHINO OUTDOOR INTERNATIONAL, INC.**

(Exact name of small business issuer as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation  
or organization)

**65-1000634**

(I.R.S. Employer Identification No.)

**370 Amapola Ave. # 202, Torrance, California**

(Address of principal executive office)

**90501**

(Zip Code)

**1-800-288-3099**

(Issuer's telephone number)

**CYBERADS, INC.**

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

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 shell company (as defined by Rule 12b-2 of the Exchange Act 1934).

Yes  No

As of December 21, 2006, the number of outstanding shares of the issuer's common stock was 50,748,728 shares.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT: Yes  No

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Board of Directors  
Rhino Outdoor International, Inc.  
Torrance, California

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have reviewed the accompanying consolidated balance sheets of Rhino Outdoor International, Inc., as of September 30, 2006 and 2005, and the related statements of operations, stockholders' equity, and cash flows for the nine months then ended and for the period from January 1, 2005 (inception of development stage) through September 30, 2006. All information included in these financial statements is the representation of the management of Rhino Outdoor International, Inc.

We conducted our review in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses and has an accumulated deficit at September 30, 2006. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.  
*Certified Public Accountants*  
Spokane, Washington  
December 19, 2006

**RHINO OUTDOOR INTERNATIONAL, INC.**  
**(A Development Stage Company)**  
**CONSOLIDATED BALANCE SHEETS**

	September 30, 2006 (unaudited)	December 31, 2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,834	\$ -
Accounts receivable	5,000	7,500
Loans receivable	-	15,000
Investments	118,804	-
Inventory, net	143,210	-
Other current assets	9,792	-
<b>TOTAL CURRENT ASSETS</b>	<b>281,640</b>	<b>22,500</b>
<b>FIXED ASSETS</b>		
Plant, property, and equipment	192,736	-
Less accumulated depreciation	(75,050)	-
<b>TOTAL FIXED ASSETS</b>	<b>117,686</b>	<b>-</b>
<b>OTHER ASSETS</b>		
Goodwill	3,013,463	-
<b>TOTAL ASSETS</b>	<b>\$ 3,412,789</b>	<b>\$ 22,500</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,253,290	\$ 1,063,251
Accrued liabilities	1,201,909	971,762
Bank overdraft	30,975	15,108
Lines of credit	299,896	-
Notes payable	294,192	294,192
Current portion of long-term debt	45,105	-
Deferred revenues and customer deposits	588,652	172,453
Related party payable	703,045	1,226,161
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,417,064</b>	<b>3,742,927</b>
<b>LONG-TERM LIABILITIES</b>		
Bank indebtedness, net of current portion	42,106	-
Vehicle loans, net current portion	24,635	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>66,741</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>4,483,805</b>	<b>3,742,927</b>

COMMITMENTS AND CONTINGENCIES	-	-
<b>STOCKHOLDERS' DEFICIT</b>		
Convertible preferred stock, \$0.001 par value; 5,000,000 shares authorized		
Series A - 835,660 shares issued and outstanding	836	836
Series B - 1,000,000 shares issued and outstanding	1,000	1,000
Series C - 2,250,000 and 0 shares issued and outstanding, respectively	2,250	-
Common stock, \$0.001 par value; 500,000,000 shares authorized, 49,453,479 and 1,233,518 shares issued and outstanding, respectively	49,453	1,233
Additional paid-in capital	35,214,629	23,295,020
Accumulated deficit prior to current development stage	(19,234,546)	(19,234,546)
Accumulated deficit in development stage	(16,693,067)	(7,783,970)
Accumulated comprehensive loss	(411,571)	-
Total Stockholders' Deficit	(1,071,016)	(3,720,427)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	\$ 3,412,789	\$ 22,500

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

**RHINO OUTDOOR INTERNATIONAL, INC.**  
**(A Development Stage Company)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended		Nine Months Ended		From Inception of Development Stage (January 1, 2005) to
	September 30, 2006 (unaudited)	September 30, 2005 (unaudited)	September 30, 2006 (unaudited)	September 30, 2005 (unaudited)	September 30, 2006 (unaudited)
<b>REVENUES</b>	\$ 23,398	\$ -	\$ 53,148	\$ -	\$ 53,148
<b>COST OF SALES</b>	44,183	-	68,837	-	68,837
Gross Profit (Loss)	(20,785)	-	(15,689)	-	(15,689)
<b>OPERATING EXPENSES</b>					
General and administrative	114,301	246,974	255,652	737,222	937,383
Depreciation expense	8,552	-	9,403	-	9,403
Management fees	211,000	-	917,729	-	917,729
Marketing expenses	3,516,474	1,169,680	4,112,533	4,208,463	9,718,146
Selling expenses	3,547,474	220,028	3,712,330	1,236,613	5,124,583
<b>TOTAL OPERATING EXPENSES</b>	7,397,801	1,636,682	9,007,647	6,182,298	16,707,244
<b>LOSS FROM OPERATIONS</b>	(7,418,586)	(1,636,682)	(9,023,336)	(6,182,298)	(16,722,933)
<b>OTHER INCOME (EXPENSES)</b>					
Other income	180,155	-	194,218	-	199,648
Gain on forgiveness of debt	-	-	-	-	2,500
Interest expense	(28,358)	(5,502)	(68,216)	(5,502)	(146,348)
Loss on investments	(11,763)	-	(11,763)	-	(11,763)
Loss on abandonment of assets	-	-	-	-	(14,171)
<b>TOTAL OTHER INCOME (EXPENSES)</b>	140,034	(5,502)	114,239	(5,502)	29,866
<b>LOSS BEFORE TAXES</b>	(7,278,552)	(1,642,184)	(8,909,097)	(6,187,800)	(16,693,067)
<b>INCOME TAXES</b>	-	-	-	-	-

<b>NET LOSS</b>	(7,278,552)	(1,642,184)	(8,909,097)	(6,187,800)	(16,693,067)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Unrealized gain (loss) on investments	(920,731)	-	(411,571)	-	(411,571)
<b>COMPREHENSIVE LOSS</b>	\$ (8,199,283)	\$ (1,642,184)	\$ (9,320,668)	\$ (6,187,800)	\$ (17,104,638)
<b>NET LOSS PER COMMON SHARE,</b>					