

Rhino Outdoor International, Inc.
Form 10QSB
May 21, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

☒ Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2007

☐ 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.)

1191 Center Point Dr., Henderson, Nevada

(Address of principal executive office)

89704

(Zip Code)

1-800-288-3099

(Issuer's telephone number)

(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 May 21, 2007, the number of outstanding shares of the issuer's common stock was 64,648,728 shares.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT: Yes ☐ No ☒

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

	March 31, 2007 (unaudited)	December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 36,135	\$ 1,862
Marketable securities	810	14,400
Inventory, net	113,490	123,490
Deposit	88,302	-
Other current assets	10,773	2,052
TOTAL CURRENT ASSETS	249,510	141,804
OTHER ASSETS		
Plant, property, and equipment, net	101,223	107,954
Goodwill	3,013,463	3,013,463
TOTAL ASSETS	\$ 3,364,196	\$ 3,263,221
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,298,802	\$ 1,300,032
Accrued liabilities	1,492,380	1,332,860
Bank overdraft	14,774	21,534
Lines of credit	298,156	299,896
Notes payable	294,192	294,192
Current portion of long-term debt	40,485	40,485
Deferred revenues and customer deposits	405,866	448,027
Other current liabilities	400,000	400,000
Related party payables	542,614	573,814
TOTAL CURRENT LIABILITIES	4,787,269	4,710,840
LONG-TERM LIABILITIES		
Bank indebtedness	31,307	37,682
Vehicle loans, net current portion	19,697	22,047
TOTAL LONG-TERM LIABILITIES	51,004	59,729
TOTAL LIABILITIES	4,838,273	4,770,569
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' DEFICIT		

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Convertible preferred stock, \$0.001 par value;
5,000,000 shares authorized

Series A - 835,660 shares issued and outstanding	836	836
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Series B - 1,000,000 shares issued and outstanding	1,000	1,000
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Series C - 2,250,000 shares issued and outstanding	2,250	2,250
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Common stock, \$0.001 par value; 500,000,000
shares authorized,

62,648,709 and 50,748,709 shares issued and outstanding, respectively	62,649	50,749
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Additional paid-in capital	36,439,366	35,502,478
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Accumulated deficit prior to current development stage	(19,234,546)	(19,234,546)
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Accumulated deficit in development stage	(18,633,942)	(17,394,515)
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Accumulated comprehensive income (loss)	(111,690)	(435,600)
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Total Stockholders' Deficit	(1,474,077)	(1,507,348)
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TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 3,364,196	\$ 3,263,221
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The accompanying condensed 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		From Inception of Development Stage (January 1, 2005) to March 31, 2007 (unaudited)
	March 31, 2007 (unaudited)	March 31, 2006 (unaudited)	
REVENUES	\$ 58,420	\$ -	\$ 135,513
COST OF SALES	67,564	-	167,804
Gross Profit (Loss)	(9,144)	-	(32,291)
OPERATING EXPENSES			
General and administrative	171,444	67,093	1,673,134
Depreciation expense	9,231	-	27,515
Management fees	137,500	105,000	1,160,229
Marketing expenses	354,833	213,425	10,107,020
Selling expenses	359,300	146,856	5,511,840
TOTAL OPERATING EXPENSES	1,032,308	532,374	18,479,738
LOSS FROM OPERATIONS	(1,041,452)	(532,374)	(18,512,029)
OTHER INCOME (EXPENSES)			
Other income	140,625	-	480,897
Gain on forgiveness of debt	-	-	2,500
Interest expense	(10,223)	(18,638)	(173,595)
Loss on sale of investment	(328,377)	-	(417,544)
Loss on abandonment of assets	-	-	(14,171)
TOTAL OTHER INCOME (EXPENSES)	(197,975)	(18,638)	(121,913)
LOSS BEFORE TAXES	(1,239,427)	(551,012)	(18,633,942)
INCOME TAXES	-	-	-
NET LOSS	(1,239,427)	(551,012)	(18,633,942)
OTHER COMPREHENSIVE INCOME			
Unrealized gain (loss) on marketable securities	323,910	-	(111,690)

COMPREHENSIVE LOSS	\$	(915,517)	\$	(551,012)	\$	(18,745,632)
NET LOSS PER COMMON SHARE,						
BASIC AND DILUTED	\$	(0.02)	\$	(0.43)		
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED		56,159,265		1,288,265		

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

RHINO OUTDOOR INTERNATIONAL, INC.**(A Development Stage Company)****CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**

	Convertible		Common Stock		Additional	Deficit	Accumulated	
	Preferred	Stock	Shares	Amount	Paid-in	Accumulated	Other	Totals
	Shares	Amount	Shares	Amount	Capital		Comprehensive	
							Loss	
Balance, December 31, 2004	835,660	\$ 836	232,258	\$ 232	\$ 16,193,129	\$ (19,234,546)	\$ -	\$ (3,040,349)
Shares issued for consulting expense	-	-	996,260	996	6,945,396	-	-	6,946,392
Shares issued for debt	-	-	5,000	5	57,495	-	-	57,500
Shares issued in exchange for compensation	1,000,000	1,000	-	-	99,000	-	-	100,000
Net loss for year ending December 31, 2005	-	-	-	-	-	(7,783,970)	-	(7,783,970)
Balance, December 31, 2005	1,835,660	1,836	1,233,518	1,233	23,295,020	(27,018,516)	-	(3,720,427)
Shares issued for management and consulting fees	-	-	245,000	245	489,755	-	-	490,000
Shares issued for accrued liabilities	-	-	205,000	205	409,795	-	-	410,000
Shares issued for acquisition of subsidiary	1,650,000	1,650	-	-	1,648,350	-	-	1,650,000
- Shares issued for accrued management fees	600,000	600	-	-	599,400	-	-	600,000

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Shares issued for related party payable	-	-	5,200,000	5,200	1,228,031	-	-	1,233,231
-								
Shares issued for marketing and selling expenses	-	-	43,865,191	43,866	7,832,127	-	-	7,875,993
-								
Net loss for year ending December 31, 2006	-	-	-	-	-	(9,610,545)	-	(9,610,545)
-								
Unrealized loss on investments	-	-	-	-	-	-	(435,600)	(435,600)
-								
Balance, December 31, 2006	4,085,660	4,086	50,748,709	50,749	35,502,478	(36,629,061)	(435,600)	(1,507,348)
-								
Common stock issued for cash	-	-	3,268,000	3,268	161,420	-	-	164,688