

Rhino Outdoor International, Inc.
Form 10QSB
November 19, 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 June 30, 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 x No o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act 1934).

Yes o No x

As of September 30, 2007, the number of outstanding shares of the issuer's common stock was 87 706 500 shares.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT: Yes o No x

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ITEM 1.

FINANCIAL STATEMENTS

RHINO OUTDOOR INTERNATIONAL, INC
(A Development Stage Enterprise)
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2007	December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 70,028	\$ 1,862
Inventories	113,490	123,490
Other current assets	101,954	2,052
Total Current Assets	285,472	127,404
PROPERTY AND EQUIPMENT, NET	104,087	107,954
OTHER ASSETS		
Investments	810	14,400
Goodwill	3,165,963	3,013,463
Total Other Assets	3,166,773	3,027,863
TOTAL ASSETS	\$ 3,556,332	\$ 3,263,221
LIABILITIES AND NET CAPITAL DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,292,514	\$ 1,300,032
Checks outstanding in excess of cash in bank	-	21,534
Accrued liabilities	1,814,409	1,332,860
Lines of credit	287,689	299,896
Deferred revenue and customer deposits	272,991	448,027
Notes payable	399,692	294,192
Notes payable - related party	477,614	573,814
Convertible debt	279,980	-
Other current liabilities	429,524	440,484
Total Current Liabilities	5,254,413	4,710,840
Long-term debt	41,723	59,729
COMMITMENTS AND CONTINGENCIES		
NET CAPITAL DEFICIENCY		
Preferred stock, \$.001 par value; 5,000,000 shares authorized,	836	836

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Series A - 835,660 shares issued and outstanding		
Series B - 1,000,000 shares issued and outstanding	1,000	1,000
Series C - 2,250,000 shares issued and outstanding	1,038	2,250
Common stock, \$.001 par value; 500,000,000 shares authorized; shares issued and outstanding 87,706,500 (50,748,709 in 2006)	87,706	50,749
Additional paid-in capital	38,220,112	35,502,478
Accumulated deficit prior to current development stage	(19,234,546)	(19,234,546)
Accumulated deficit in development stage	(20,704,262)	(17,394,515)
Accumulated comprehensive loss	(111,600)	(435,600)
Net Capital Deficiency	(1,739,806)	(1,507,348)
TOTAL LIABILITIES AND NET CAPITAL DEFICIENCY	\$ 3,556,330	\$ 3,263,221

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

RHINO OUTDOOR INTERNATIONAL, INC.
(A Development Stage Enterprise)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30		Cumulative Activity During Current Development Stage (January 1, 2005) to September 30, 2007
	2007	2006	2007	2006	
REVENUES	\$ 112,484	\$ 23,398	\$ 529,869	\$ 53,148	\$ 606,962
COST OF GOODS SOLD	35,990	44,183	151,751	68,837	251,991
GROSS PROFIT (LOSS)	76,494	(20,785)	378,118	(15,689)	354,971
OPERATING EXPENSES					
General and administrative	318,107	333,853	972,691	1,182,784	3,515,394
Marketing	50,250	3,516,474	464,425	4,112,533	10,216,612
Selling	-	3,547,474	374,730	359,300	5,511,840
Total Operating Expenses	368,357	7,397,801	1,796,416	9,007,647	19,243,846
LOSS FROM OPERATIONS	(291,863)	(7,418,586)	(1,418,298)	(9,023,386)	(18,888,875)
OTHER INCOME (EXPENSES)					
Other income	-	180,155	-	194,218	340,272
Interest, net	(18,301)	(28,358)	(43,007)	(68,216)	(206,379)
Acquisition expense	-	-	(25,098)	-	(25,098)
Loss on sale of investment	-	(11,763)	(328,377)	(11,763)	(340,140)
Other	-	-	-	-	(11,641)
Total Other Income (Expenses)	(18,301)	140,034	(396,482)	114,239	(218,050)
LOSS BEFORE TAXES	(310,164)	(7,278,552)	(1,814,780)	(8,909,097)	(19,106,925)
INCOME TAXES	-	-	-	-	-
NET LOSS	(310,254)	(7,278,552)	(1,814,780)	(8,909,097)	(19,106,925)
COMPREHENSIVE LOSS					
Unrealized loss on investments	(90)	(920,731)	(111,600)	(411,571)	(547,290)
COMPREHENSIVE LOSS	\$ (310,254)	\$ (8,199,283)	\$ (1,926,470)	\$ (9,320,668)	\$ (19,654,215)
NET LOSS PER COMMON SHARE:					
Basic And Diluted	\$ (0.00)	\$ (0.96)	\$ (0.02)	\$ (1.24)	

WEIGHTED AVERAGE NUMBER
OF

COMMON STOCK SHARES
OUTSTANDING, BASIC AND
DILUTED

72,677,356	7,564,217	72,194,261	7,185,378
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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RHINO OUTDOOR INTERNATIONAL, INC
(A Development State Enterprise)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

Cumulative Activity
During Current
Development Stage
(January 1, 2005) to
September 30,
2007

	2007	2006	2007
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (1,814,780)	\$ (8,909,097)	(19,106,925)
Depreciation and amortization	47,067	9,403	56,470
Stock issued for accrued wages	-	450,000	510,000
Stock issued for compensation & services	-	1,207,630	7,436,392
Reserve for issuance of preferred stock	-	-	400,000
Stock issued for accrued management fees	-	600,000	600,000
Other	-	-	11,671
Common stock issued for debt	-	1,000,000	20,000
Amortization of deferred revenues	(234,375)	-	(562,500)
Common stock issued for marketing and selling expenses	773,726	7,062,449	8,699,468
Loss on sale of investment	328,377	11,763	417,544
Preferred stock issued fro accrued management fees	-	600,000	36,657
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			