

Edgar Filing: Rhapsody Acquisition Corp. - Form 10QSB

Rhapsody Acquisition Corp.
Form 10QSB
February 14, 2007

UNITED STATES
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 December 31, 2006

Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission File Number 000-52203

Rhapsody Acquisition Corp.

(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

20-4743916
(I.R.S. Employer
Identification No.)

10 East 53rd Street, 35th Floor, New York, New York 10022
(Address of Principal Executive Office)

(212) 319-7676
(Issuer's Telephone Number, Including Area Code)

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 large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Number of shares of common stock outstanding as of February 9, 2007: 6,300,000.

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RHAPSODY ACQUISITION CORP
(A CORPORATION IN THE DEVELOPMENT STAGE)
BALANCE SHEET (UNAUDITED)

12/31/2006

ASSETS

Current Assets:

Cash and cash equivalents	\$	680,702
Cash held in trust (Note 2)		39,278,250
Interest on cash held in trust		305,548
Prepaid expenses		62,900
Total current assets		40,327,400

Other Assets		16,657
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Total assets	\$	40,344,057
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Deferred underwriting fee (Note 2)	\$	414,000
State and local income tax payable (Note 7)		35,731
Total current liabilities	\$	449,731

Common Stock, subject to possible conversion (1,034,483 shares at conversion value) (Note 2)	\$	7,912,801
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Commitments (Note 4)

Stockholders' equity (Notes 3, 5 and 6)

Preferred stock, \$.0001 par value, 1,000,000 shares authorized, 0 shares issued	-
Common stock, \$.0001 par value, 15,000,000 shares authorized, 5,265,517 shares issued and outstanding (excluding 1,034,483 shares subject to possible conversion)	527
Additional paid-in capital	31,781,331
Retained earnings accumulated during the development stage	199,667
Total stockholders' equity	31,981,525
Total liabilities and stockholders' equity	\$ 40,344,057

See accompanying summary of significant accounting policies and notes to unaudited financial statements

RHAPSODY ACQUISITION CORP
(A CORPORATION IN THE DEVELOPMENT STAGE)
STATEMENTS OF OPERATIONS (UNAUDITED)

	<i>Three Months ended December 31, 2006</i>	<i>Period from April 24, 2006 (inception) to December 31, 2006</i>
Operating expenses:		
General and administrative costs	\$ 73,519	\$ 75,313
Operating loss	(73,519)	(75,313)
Other Income:		
Interest income	4,919	5,163
Interest on Trust Fund	305,548	305,548
Net income before provision for income taxes (Note 7)	236,948	235,398
Provision for income taxes	(35,731)	(35,731)
Net Income	\$ 201,217	\$ 199,667
Accretion of Trust Account relating to common stock subject to possible conversion	(61,075)	(61,075)
Net income attributable to common stockholders	\$ 140,142	\$ 138,592
Weighted average common shares outstanding subject to possible conversion		
	932,171	337,959
Basic and diluted net income per share subject to possible conversion	\$ 0.07	\$ 0.18
Weighted average common shares outstanding	4,856,015	2,477,679
Basic and diluted net income per share	\$ 0.03	\$ 0.06

See accompanying summary of significant accounting policies and notes to unaudited financial statements

RHAPSODY ACQUISITION CORP
(A CORPORATION IN THE DEVELOPMENT STAGE)
STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

For the period April 24, 2006 (inception) to December 31, 2006

	<u>Common Stock</u>		Additional paid-in capital	Retained Earnings Accumulated During the Development Stage	Stockholders' Equity
	Shares	Amount			
Balance, April 24, 2006	-	\$ -	\$ -	\$ -	-
Common shares issued to initial stockholders	1,125,000	113	24,887	-	25,000
Sale of 5,175,000 units, net of underwriter's discount and offering expenses (includes 1,034,483 shares subject to possible conversion)	5,175,000	517	38,419,042	-	38,419,559
Net proceeds subject to possible conversion (1,034,483 shares)	(1,034,483)	(103)			