ALL AMERICAN SPORTPARK INC
Form 10-Q
August 12, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

¨ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-24970

All-American Sportpark, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**88-0203976**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6730 South Las Vegas Boulevard

Las Vegas, NV 89119

(Address of principal executive offices)

(702) 798-7777

(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨
Accelerated filer ¨

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company x

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

The number of shares of Common Stock, $0.001 par value, outstanding on July 27, 2011 was 4,522,123 shares.

All-American Sportpark, inc.

Form 10-Q

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PART 1 – FINANCIAL INFORMATION

Item 1 Financial Statements

All-American SportPark, Inc.

Condensed Consolidated Balance Sheets

	June 30, 2011 (Unaudited)	December 31, 2010
Assets		
Current assets:		
Cash	$ 36,461	$ 10,647
Accounts receivable	-	6,421
Prepaid expenses and other	5,857	12,650
Total current assets	42,318	29,718
Property and equipment,		
net of accumulated depreciation of $799,358 and $698,343,		
respectively	726,447	729,754
Total Assets	$ 768,765	$ 759,472
Liabilities and Stockholders' (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	$ 127,234	$ 198,664
Current portion of notes payable related parties	4,090,995	4,093,177
Current portion due to related parties	1,277,175	1,231,696
Current portion of capital lease obligation	41,799	22,415
Accrued interest payable - related party	4,345,294	4,140,745
Total current liabilities	9,882,497	9,686,697
Long-term liabilities:		
Long-term portion of capital lease obligation	27,763	58,349
Deferred rent liability	697,241	695,048
Total long-term liabilities	725,004	753,397
Stockholders' (deficit):		
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of June 30, 2011 and	-	-

December 31, 2010, respectively				
Common stock, $0.001 par value, 50,000,000 shares authorized, 4,522,123, and shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively		4,522		4,522
Additional paid-in capital		14,387,972		14,387,972
Accumulated (deficit)		(24,559,798)		(24,282,617)
Total All-American SportPark, Inc. stockholders' (deficit)		(10,167,304)		(9,890,123)
Noncontrolling interest in net assets of subsidiary		328,568		209,501
Total stockholders' (deficit)		(9,838,736)		(9,680,622)
Total Liabilities and Stockholders' (Deficit)	$	768,765	$	759,472

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

ALL-AMERICAN SPORTPARK, INC.

Condensed Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ending June 30,		For the Six Months Ending June 30,	
	2011	2010	2011	2010
Revenue	$ 629,749	$ 523,851	$ 1,079,722	$ 1,012,875
Revenue - related party	39,312	39,312	78,624	78,624
Total revenue	669,061	563,163	1,158,346	1,091,499
Cost of revenue	162,463	194,355	355,625	353,170
Gross profit	506,598	368,808	802,721	738,329
Expenses:				
General and administrative expenses	368,232	332,652	698,162	755,985
Depreciation and amortization	26,873	31,682	52,994	47,125
Total expenses	395,105	364,334	751,156	803,110
Income (loss) from operation	111,493	4,474	51,565	(64,781)
Other income (expense):				
Interest expense	(122,722)	(123,724)	(246,065)	(235,044)
Gain on property and equipment	36,533	-	36,533	-
Other income (expense)	-	-	(147)	17
Total other income (expense)	(86,189)	(123,724)	(209,679)	(235,027)
Net income (loss) before provision for income tax	25,304	(119,233)	(158,114)	(299,808)
Provision for income tax expense	-	-	-	-
Net income (loss)	25,304	(119,233)	(158,114)	(299,808)
Net income (loss) attributable to non-controlling interest	$ 120,354	$ (40,160)	$ 119,067	$ (44,419)
Net (loss) attributable to All-American SportPark, Inc.	$ (95,050)	$ (159,393)	$ (277,181)	$ (344,627)
Net income (loss) per share-basic and fully diluted	$ (0.01)	$ (0.04)	$ (0.04)	$ (0.10)

Weighted average number of common shares outstanding - basic and fully diluted	4,522,123	3,570,000	4,522,123	3,570,000

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

ALL-AMERICAN SPORTPARK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Six Months Ending June 30,			
		2011		2010
Cash flows from operating activities				
Net (loss)	$	(158,114)	$	(299,808)
Adjustments to reconcile net loss to net cash provided (used) in operating activities:				
Depreciation and amortization expense		52,994		47,125
Gain on - property and equipment		(36,533)		-
Changes in operating assets and liabilities:				
Accounts receivable		6,421		168
Prepaid expenses and other		6,793		14,375
Accounts payable and accrued expenses		(71,430)		37,455
Deferred rent liability		2,193		4,223
Accrued interest payable - related party		204,549		123,573
Net cash provided (used) by operating activities		6,874		(72,889)
Cash flows from investing activities				
Insurance proceeds on property and equipment		46,026		-
Purchase of property and equipment		(59,181)		(63,550)
Net cash used by operating activities		(13,155)		(63,550)
Cash flows from financing activities				
Proceeds from related parties		45,479		93,225
Payment on capital lease obligation		(11,202)		(7,669)
Payments on notes payable - related party		(2,182)		(3,435)
Net cash provided by financing activities		32,095		82,121
Net increase (decrease) in cash		25,813		(54,319)
Cash - beginning		10,647		272,750
Cash - ending	$	36,461	$	218,432
Supplemental disclosures:				
Interest paid	$	142	$	91,223
Income taxes paid	$	-	$	-
Schedule of non-cash investing and financing activities				
Assumption of capital lease obligation	$	99,000	$	-

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

All-American Sportpark, Inc.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

Note 1 – Basis of presentation

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by All-American SportPark, Inc. (the “Company”), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2010 and notes thereto included in the Company's Form 10-K. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods may not be indicative of annual results.

Certain reclassifications have been made in prior periods’ financial statements to conform to classifications used in the current period.

Note 2 – Going concern

As of June 30, 2011, we had an accumulated deficit of $24,559,798. In addition, the Company’s current liabilities exceed its current assets by $9,840,179 as of June 30, 2011. These conditions have raised substantial doubt about the Company's ability to continue as a going concern. Although our recent growth has greatly improved cash flows, we nonetheless need to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management is seeking additional financing, and is now looking for a merger or acquisition candidate. It is management’s objective to review the acquisition of interests in various business opportunities, which in their

opinion will provide a profit to the Company. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and working capital needs. There is no assurance any of these transactions will occur. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 3 – Recent accounting Policies

In April 2011, FASB issued ASU 2011-02, “Receivables (Topic 310): A Creditor’s Determination of Whether a Restructuring is a Troubled Debt Restructuring”. This amendment explains which modifications constitute troubled debt restructurings (“TDR”). With this new guidance, the definition of a troubled debt restructuring remains essentially unchanged, but for loan modification to be considered a TDR, certain basic criteria must still be met. For public companies, the new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructuring occurring on or after the beginning of the fiscal year of adoption. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In May 2011, FASB issued ASU 2011-04 updating results in common fair value measurements and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board's intention regarding the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For public entities, the new guideline is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06 regarding fair value measurements and disclosures and improvement in the disclosure about fair value measurements. This ASU requires additional disclosures regarding significant transfers in and out of Levels 1 and 2 of fair value measurements, including a description of the reasons for the transfers. Further, this ASU requires additional disclosures for the activity in Level 3 fair value measurements, requiring presentation of information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In July 2010, the FASB issued ASU No. 2010-20, Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses. This ASU amends FASB Accounting Standards Codification Topic 310, Receivables, improving the disclosures that an entity provides about the credit quality of its receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to separate, by segment or class of financing receivables, certain disclosures and provide certain new disclosures receivables and related credit losses. This ASU is effective for interim and annual reporting periods ending on or after December 15, 2010. The adoption did not have a material effect on our consolidated financial statements.

On December 21, 2010, the FASB issued Accounting Standards Update ("ASU") 2010-29, which impacts any public entity that enters into business combinations that are material on an individual or aggregate basis. This ASU provides that if a public entity presents comparative financial statements, the entity should disclose revenues and earnings of the combined entity as if the business that occurred had occurred at the beginning of the prior annual period when preparing current and prior year reporting. The guidance also requires that a narrative description regarding the nature and amount of material that is nonrecurring, be included in reporting revenues and earnings. This guidance is effective for business combinations consummated in periods beginning after December 15, 2010. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 4 – Noncontrolling interest

Noncontrolling interest represents the minority stockholders' proportionate share of the equity of AAGC. At June 30, 2011, we owned 51% of AAGC's capital stock, representing voting control and a majority interest. Our controlling ownership interest requires that AAGC's operations be included in the Condensed Consolidated Financial Statements contained herein. The 49% equity interest that is not owned by us is shown as "Noncontrolling interest in consolidated subsidiary" in the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets.

Note 5 – Related party transactions

Due to related parties

The Company's employees provide administrative/accounting support for (a) three golf retail stores, one of which is named Saint Andrews Golf Shop ("SAGS") and the other two Las Vegas Golf and Tennis ("District Store") and Las Vegas Golf and Tennis Superstore ("Westside"), owned by the Company's President and his brother. The SAGS store is the retail tenant in the CGC.

Administrative/accounting payroll and employee benefits expenses are allocated based on an annual review of the personnel time expended for each entity. Amounts allocated to these related parties by the Company approximated $42,524 and $54,666 for the three months ended June 30, 2011 and 2010, respectively. The Company records this allocation by reducing the related expenses and allocating them to the related parties.

In addition to the administrative/accounting support provided by the Company to the above stores, the Company received funding for operations from these and various other stores owned by the Company's President, his brother, and Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,277,175 and $1,231,696 as of June 30, 2011 and December 31, 2010, respectively. The amounts are non-interest bearing and due out of available cash flows of the Company. Additionally, the Company has the right to offset the administrative/accounting support against the funds received from these stores.

Additionally, both the Company's President and his brother have continued to defer half of their monthly salaries until the Company is in a more positive financial state. The amounts deferred for second quarter 2011 are $25,000 and $15,625, respectively.

Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of June 30, 2011, and December 31, 2010, respectively:

	2011	2010
Various notes payable to the Paradise Store bearing 10% per annum and due on demand	$ 3,200,149	$ 3,200,149
Note payable to BE Holdings 1, LLC, owned by the chairman of the board, bearing 10% per annum and due on demand	100,000	100,000
Various notes payable to SAGS, bearing 10% per annum and due on demand	630,846	630,846
Various notes payable to the District Store, bearing 10% per annum and due on demand	85,000	85,000
Note payable to BE, III bearing 10% per annum and due on demand	75,000	75,000
Note payable to SAGS for phone system, payable in monthly payments of $457 through 2011	-	2,182
Total	$ 4,090,995	$ 4,093,177

All maturities of related party notes payable and the related accrued interest payable as of June 30, 2010 are due and payable upon demand. At June 30, 2011, the Company has no loans or other obligations with restrictive debt or similar covenants.

On June 15, 2009, the Company entered into a "Stock Transfer Agreement" with St. Andrews Golf, Ltd. a Nevada limited liability company, which is wholly-owned by Ronald Boreta, our chief executive officer and John Boreta, a principal shareholder of the Company. Pursuant to this agreement, we agreed to transfer a 49% interest in our wholly owned subsidiary, AAGC as a partial principal payment in the amount of $600,000 on the Company's outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, the Company engaged the services of an independent third party business valuation firm, Houlihan Valuation Advisors, to determine the fair value of the business and the corresponding minority interest. Based on the Minority Value Estimate presented in connection with this appraisal, which included valuations utilizing the income, market and transaction approaches in its valuation methodology, the fair value of a 49% interest totaled $ 600,000.

As of June 30, 2011 and December 31, 2010, accrued interest payable - related parties related to the notes payable – related parties totaled $4,345,294 and $4,140,745, respectively.

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Lease to SAGS

The Company subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2012 with a 5% increase for each of two 5-year options to extend in July 2012 and July 2017. For the six month ending June 30, 2011 and 2010, the Company recognized rental income totaling $78,624 and $78,624 respectively.

Note 6 – Commitments

Lease agreements

The land underlying the CGC is leased under an operating lease that expires in 2012 and has two five-year renewal options. In March 2006, the Company exercised the first of two options, extending the lease to 2018. Also, the lease has a provision for contingent rent to be paid by AAGC upon reaching certain levels of gross revenues. The Company recognizes the minimum rental expense on a straight-line basis over the term of the lease, which includes the two five year renewal options.

At June 30, 2011, minimum future lease payments under non-cancelable operating leases are as follows:

2011	$	240,836
2012		529,840
2013		529,840
2014		529,840
2015		529,840
Thereafter		3,805,219
	$	6,165,415

Total rent expense for this operating lease was $243,030 and $243,030 for the six months ended June 30, 2011 and 2010.

Capital Lease

The company entered into a capital lease for new Club Car gas powered golf carts. The lease is 47 months in length and started on March 1, 2010 with 31 months remaining. The company realizes $2,620 a month in interest expense related to the lease.

The following is a schedule by year of future principal payments required under this lease agreement.

2011	$ 16,574
2012	25,941
2013	29,157
2014	2,587
	$ 74,259

Accumulated depreciation for the Capital Lease as of June 30, 2011 and December 31, 2010 is $33,702 and $7,860 respectively.

Customer Agreement

On June 19, 2009, the Company entered into a "Customer Agreement" with Callaway Golf Company ("Callaway") and St. Andrews Golf Shop, Ltd. ("SAGS") through our majority owned subsidiary AAGC. Pursuant to this agreement, AAGC shall expend an amount equal to or exceeding $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, pursuant to the Customer Agreement AAGC has expended amounts to improve both its range facility as well as the golfing center. These improvements include Callaway Golf® branding elements. Callaway agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of AAGC; 2) $750,000 towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) $500,000 in range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, which will be repaid in golf merchandise to SAGS. AAGC will then be reimbursed by SAGS for AAGC's expenditures in advertising as incurred. Due to the fact that SAGS is a related party, the Company is also considered a customer of Callaway as it relates to the Customer Agreement. As a result, we recognized the contributions from Callaway as follows:

Contribution of operating expenses totaling $750,000 (received July 2009) was treated as a reduction of operating expenses and therefore reduced our "General and administrative" expense by that amount.

Contribution of range and other facility improvements totaling $554,552 were recorded as a reduction of the costs for those improvements. The contributions, which were made directly by Callaway to the applicable contractors and vendors completing the work, were exactly equal to the costs and therefore, no value as been recorded for these improvements.

The annual payments for advertising began in 2010 and will continue as long as Callaway, AAGC and SAGS agree to maintain the agreement through the term of the Customer Agreement in December 2018. Such contributions from Callaway of up to $250,000 annually will be recorded as a reduction of the Company's costs for the related advertising. Additionally, the contributions are to be paid to SAGS in the form of golf related products. SAGS will then reimburse AAGC in monies as the related golf products are received. During the three ending June 30, 2011 and 2010, SAGS reimbursed AAGC $4,099 and $66,001, respectively.

Note 7 – Stockholders' deficit

We are authorized to issue 50,000,000 shares of $0.001 par value preferred stock and 10,000,000 shares of $0.001 par value common stock.

Preferred stock

As of June 30, 2011, we had no preferred shares issued and outstanding.

Common stock

As of June 30, 2011, we had 4,522,123 shares of our $0.001 par value common stock issued and outstanding. We had no new issuances during the period ended June 30, 2011.

Note 8 – Subsequent Events

Upon our evaluation of events and transactions that have occurred subsequent to the balance sheet date, we have determined that there are no additional material events which have occurred after the balance sheet date that would be deemed significant or require recognition or additional disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This document contains "forward-looking statements." All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words "may," "could," "estimate," "intend," "continue," "believe," "expect" or "anticipate" or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors affecting these risks and uncertainties include, but are not limited to:

- increased competitive pressures from existing competitors and new entrants;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- loss of customers or sales weakness;
- inability to achieve future sales levels or other operating results;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

Overview of Current Operations

On June 19, 2009, the Company entered into a “Customer Agreement” with Callaway Golf Company (“Callaway”) and St. Andrews Golf Shop, Ltd. (“SAGS”) through our majority owned subsidiary AAGC. Pursuant to this agreement, AAGC shall expend an amount equal to or exceeding $250,000 for marketing and promotion of Callaway for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Additionally, AAGC will expend amounts to improve both their range facility as well as the golfing center. These improvements are to include Callaway Golf® branding elements. Callaway has agreed to provide funding and resources in the minimum amount of $2,750,000 to be allocated as follows: 1) $750,000 towards operating expenses of AAGC; 2) $750,000 towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) $500,000 in range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, which will be repaid in golf related products to SAGS. AAGC will then be reimbursed by SAGS for AAGC’s expenditures in advertising as incurred. In substance, due to the related party nature of SAGS, the Company is also considered a customer of Callaway as it relates to this agreement. As a result, we recognized the contributions from Callaway as follows:

- Contribution of operating expenses totaling $750,000 (received July 2009) was treated as a reduction of operating expenses and therefore reduced our “general and administrative” expense by that amount during 2009.

- Contribution of range and other facility improvements totaling $554,552 were recorded as a reduction of the costs for those improvements. The contributions, which were made directly by Callaway Golf Company to the applicable contractors and vendors completing the work, were exactly equal to the costs and therefore, no value as been recorded for these improvements.

The annual payments for advertising began in 2010 and will continue as long as Callaway, AAGC and SAGS agree to maintain the agreement through the term of the Customer Agreement in December 2018. Such contributions from Callaway of up to $250,000 annually will be recorded as a reduction of the Company’s costs for the related advertising. Additionally, the contributions are to be paid to SAGS in the form of golf related products. SAGS will then reimburse AAGC in the form of monies as the as the related golf products are received. On January 25, 2011, The 305 Group leased the restaurant lease at the Callaway Golf Center. They have renamed the restaurant The Upper Deck Grill and Sports Lounge. The tenant remodeled the entire restaurant space and opened to the public on April 28, 2011. They now offer fresh made foods for the restaurant and bar. The tenant is paying $4,000 a month in rent increasing by 4% each month and potential percentage rent could be paid if the tenant's sales reach certain levels.

Results of Operations for the three months ended June 30, 2011 and 2010 compared.

The following tables summarize selected items from the statement of operations for the three months ended June 30, 2011 compared to the three months ended June 30, 2010.

INCOME:

	For the three months ended June 30,		Increase (Decrease)	
	2011	**2010**	**$**	**%**
Revenue	$ 629,749	$ 523,851	$105,898	20.21%
Revenue – Related Party	39,312	39,312	-	-
Cost of Sales	(162,463)	(194,355)	31,892	16.41%
Gross Profit	$ 506,598	$ 368,808	$ 137,790	37.36%
Gross Profit Percentage of Sales	75.72%	65.49%		

Revenue

Our revenue for the three months ended June 30, 2011 was $629,749 compared to revenue of $523,851 in the three months ended June 30, 2010, an increase of $105,898, or 20.21% from the same three-month period in the previous year. Revenues were up during the second quarter of 2011 due to the Play All Day promotion we ran in the spring, and the continued relationship we have with Groupon®. There was also mild weather in the second quarter that extended the normal golf season increasing business. We have continued our participation in the Groupon® advertising programs that offered customers discounted play at the CGC which could be used over a six-month period. However, the revenue from the sales of these packages is deferred until the end of the promotion. The November 11, 2010 promotion ended on May 11, 2011 and the January 27, 2011 promotion ended on July 27, 2011. We have realized the revenue from the first promotion of $18,495. We have approximately $19,778 of additional revenue that will be realized in the third quarter of 2011.

Revenue-Related Party for the three months ended June 30, 2011 was $39,312, which is the same as the amount recorded in the three months ended June 30, 2010.

Cost of sales/Gross profit percentage of sales

Cost of sales currently consists mainly of payroll and benefits expenses of AAGC staff, and operating supplies. Our cost of sales for the three months ended June 30, 2011 was $162,463, a decrease of $31,892, or 16.41% from $194,355 for the same three month period ending June 30, 2010. The decrease was primarily due to approximately $17,500 of advertising expenses being paid for by Callaway under their Customer Agreement with us.

Gross profit as a percentage of sales increased to 75.72%, for the three months ended June 30, 2011. Gross profit as a percentage of sales was 65.49% for the three months ended June 30, 2010.

EXPENSES:

	For the Three Months Ending June 30, 2011		Increase/Decrease	
	2011 Amount	2010 Amount	$	%
Expenses:				
General and administrative expenses	$ 368,232	$ 332,652	$35,580	10.69%
Depreciation and amortization	26,873	31,682	(4,809)	(15.18)%
Total expenses	395,105	364,334	30,771	8.45%
Income from operations	111,493	4,474	107,019	2392.02%
Other income (expense):				
Interest expense	(122,722)	(123,724)	(1,002)	(0.81)%
Gain on property and equipment	36,533	-	(36,533)	-%
Other income (expense)	-	17	-	-
Total other income (expense)	(86,189)	(123,707)	(37,535)	(69.66)%
Net income (loss)	25,304	(119,233)	144,537	121.22.01%
Net income (loss) attributable to non-controlling interest	120,355	(40,160)	160,515	199.69)%
Net loss attributable to All-American SportPark, Inc.	(95,051)	(159,393)	64,342	59.63%
Total net income (loss)	$ 25,304	$ (180,575)		

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2011 were $368,232, an increase of $35,580 or 10.69%, from $332,652 for the three months ended June 30, 2010. Expenses were up due to a large leak located on the lake between holes 3 and 4 on the golf course. This leak caused our water bill to be over $20,000 during a month when the water bill is normally low.

Depreciation expense

Depreciation and amortization expenses for the three months ended June 30, 2011 were $26,873, a decrease of $4,809, or 15.18% from $31,682 for the three months ended June 30, 2010. The decrease is due the loss of some fixed assets as a result of a severe wind storm in April of 2011.

Total expenses

Our overall operating expenses increased with expenses totaling $395,105 for the three months ended June 30, 2011 compared to $364,334 for the three months ended June 30, 2010. The increase in total expenses was $30,771 or 8.45% and was due to an increase in utilities caused by a leak in the golf course lake between holes 3 and 4.

Net income from operations

We had a net income from operations of $111,493 for the three months ended June 30, 2011 versus a net income from operations of $4,474 for the three months ended June 30, 2010 an increase of $107,019 or 2392.02%. This increase was due to the Play All Day promotion we ran in the spring, and the continued relationship we have with Groupon®. Additionally, we received an insurance reimbursement for $46,026 for damage done to the driving range. There was also mild weather in the second quarter that extended the normal golf season increasing business.

Interest Expense

Our interest expense decreased by 0.77% or $952 from $123,724 for the three months ended June 30, 2010 to $122,772 for the three months ended June 30, 2011.

Gain on Disposal of Property

A gain on disposal of property for $36,533 was realized during the current quarter. We received an insurance payment to cover the loss to our driving range netting due to a wind storm.

Net Income

Our net income for the three months ended June 30, 2011 was $25,304 (before noncontrolling interest) as compared with net loss of $(119,233) for the same period in 2010. This is an increase of $144,537 or 121.22% over the same period in 2010.

Further, the net income attributable to noncontrolling interest for the first quarter of 2011 was $120,354 as compared to $(40,160) for the same period in 2010. That combined with the net income makes the net loss attributable to All-American Sport Park $(95,050) for 2011 as compared to ($159,353) an increase of $64,303 over 2010 or (40.34)%.

Results of Operations for the six months ended June 30, 2011 and 2010 compared.

The following tables summarize selected items from the statement of operations for the six months ended June 30, 2011 compared to the six months ended June 30, 2010.

INCOME:

	For the six months ended June 30,		Increase (Decrease)	
	2011	**2010**	**$**	**%**
Revenue	$ 1,079,722	$ 1,012,875	$66,847	6.60%
Revenue – Related Party	78,624	78,624	-	- %
Cost of Sales	(355,625)	(353,170)	2,455	.70%
Gross Profit	$ 802,721	$ 738,329	$64,392	8.73%
Gross Profit Percentage of Sales	69.30%	67.64%		

Revenue

Our revenue for the six months ended June 30, 2011 was $1,079,722 compared to revenue of $1,012,875 in the six months ended June 30, 2010, an increase of $66,847, or 6.60%. Our overall revenue is up through the six-months ending June 30, 2011 by approximately 6%. Our revenue is up for the first six months of 2011 due to the spring promotions that we have done, as well as the continued relationship with Groupon® that has been very successful for us. We also received an insurance payment for damage done on the driving range which increased our overall revenue. Additionally, an unseasonably mild spring has continued the golf season beyond its normal boundaries in the second quarter.

Revenue-Related Party for the three months ended June 30, 2011 was $78,624, which is the same amount as that recorded for the six months ended June 30, 2010.

Cost of sales/Gross profit percentage of sales

Cost of sales currently consists mainly of payroll and benefits expenses of AAGC staff, and operating supplies. Our cost of sales for the six months ended June 30, 2011 was $355,625, an increase of $2,455 or 0.70% from $353,170 for the six month period ending June 30, 2010. Our costs of goods stayed consistent due to a conscience effort by our staff to curb operational expenses during the economic downturn.

Gross profit as a percentage of sales held steady at 69.30% for the six months ended June 30, 2011 when compared to the 67.64% for the same period in June 30, 2010.

EXPENSES:

	For the Six Months Ending June 30, 2011			
	2011	2010	Increase	Decrease
	Amount	Amount	$	%
Expenses:				
General and administrative expenses	$ 698,162	$ 755,985	$(57,823)	(7.65%)
Depreciation and amortization	52,994	47,125	5,869	12.45%
Total expenses	751,156	803,110	(51,954)	(6.47%)
Net income (loss) from operations	51,565	(64,781)	116,346	79.60%
Other income (expense):				
Interest expense	(246,065)	(235,044)	(11,021)	(4.69)%
Gain on property and equipment	36,533	-	36,533	100%
Other income (expense)	(147)	17	(164)	(8.65)%
Total other income (expense)	(209,679)	(235,027)	25,348	89.21%
Net loss before provision for income tax	(158,114)	(299,808)	141,694	52.75%
Provision for income tax expense	-	-	-	
Net(loss)	$ (158,114)	$ (299,808)	141,694	52.74%
Net income (loss) attributable to non-controlling interest	119,067	(44,419)	163,486	268.05%
Net (loss) attributable to All-American SportPark, Inc.	$ (277,181)	$ (344,627)	$67,446	26,79%

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2011 were $698,162, a decrease of $57,823 or 7.65%, from $755,985 for the six months ended June 30, 2010. The decrease was primarily due to approximately $60,000 of advertising expenses being paid for by Callaway under their Customer Agreement with us. Management has also been making a conscious effort to cut expenses when at all possible, including cutting staff when possible.

Depreciation expense

Depreciation and amortization expenses for the six months ended June 30, 2011 were $52,994, an increase of $5,869 or 12.45%, from $47,125 for the six months ended June 30, 2010. The increase in depreciation expense is attributed to the new items that were put into place to replace the items damaged during our storm in April. These items value were increased over 12,000 from the prior items when originally purchased.

Total expenses

Our overall operating expenses increased with expenses totaling $751,156 for the six months ended June 30, 2011 compared to $803,110 for the six months ended June 30, 2010, which was a decrease of $51,954 or 6.47%. The decrease in expenses has to do with the landscape contract that ended January 31, 2010, of which $33,000 was included in general and administrative expenses for 2010. Additionally, we have been able to save a little bit in each expense area to help lower our overall expenses.

Income from Operations

We had income from operations in the amount of $51,565, for the six months ended June 30, 2011 versus a net loss of $(64,781) for the six months ended June 30, 2010. This is a difference of $116,346 or 179.60%. The decrease in loss from operations to income from Operations is consistent with the trend for the six months ending June 30, 2011 of a decrease in our general and administrative expenses and an increase in revenue.

Interest Expense

Our interest expense increased $11,021 or 4.69% from $(235,044) for the six months ended June 30, 2010 to $(246,065) for the six months ended June 30, 2011. This decrease was due to a review of prior interest calculations associated with note payable – related parties and the corrected adjustment where needed. A gain on disposal of property for $36,533 was realized this quarter, when we received an insurance payment to cover the insurance loss to our driving range netting due to a wind storm.

Net Loss

Our net loss for the six months ended June 30, 2011 was $(158,114) (before non-controlling interest) as compared with net loss of $(299,808) for the same period in 2010. Our net loss decreased by $141,694 or 47.26% during the six months ended June 30, 2011 due to a conscious effort by management to cut costs and more effectively manage their expenses.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can deliver our product to market, complete additional financial service company acquisitions, and generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary financing, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

The following table summarizes our current assets, liabilities, and working capital at June 30, 2011 compared to December 31, 2010.

	June 30, 2011	December 31, 2010	Increase / (Decrease) $	%
Current Assets	$ 42,318	$ 29,710	$12,600	42.65%
Current Liabilities	9,822,497	9,686,697	(135,800)	(1.40%)
Working Capital Deficit	$ (9,780,179)	$ (9,656,979)		

Internal and External Sources of Liquidity

Cash Flow. Since inception, we have primarily financed our cash flow requirements through related party debt transactions. If that source of funding is eliminated it may have a material, adverse effect on our operations. We are currently operating at a loss but with positive cash flow because of deferring related party payables and interest payments. Though this has allowed us to currently minimize the deferral of our payables, we continue to depend on this source of financing. Should we lose our ability to defer those payables, without a return to profitability, our cash resources will be limited.

Satisfaction of our cash obligations for the next 12 months.

As of June 30, 2011, our cash balance was $36,461. Our plan for satisfying our cash requirements for the next twelve months is by relying less on-related party financing and using the funds available through our Callaway Golf agreement to help with any cash flow deficiencies. Because we have not anticipated generating sufficient amounts of positive cash flow to meet our working capital requirements, we have secured a customer agreement with Callaway Golf that will add additional capital to help fund our operations.

Given our operating history, predictions of future operating results are difficult to make. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their various stages of commercial viability. Such risks include, but are not limited to, an evolving business model and the management of

growth. To address these risks we, among other things, plan to continue to modify our business plan, implement and execute our marketing strategy, develop and upgrade our facilities in a response to our competitor's developments.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Stock-based Compensation: In accordance with accounting standards concerning Stock-based Compensation, the company accounts for all compensation related to stock, options or warrants using a fair value based method in which compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. The Company uses the Black-Scholes pricing model to calculate the fair market value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock.

Related party transactions: In accordance with accounting standards concerning related party transactions, there now are established requirements for related party disclosures and the policy provides guidance for the disclosures of transactions between related parties.

Subsequent events: In accordance with accounting standards concerning subsequent events, states that a company is not required to disclose the date through with subsequent events have been evaluated. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Recent Accounting Developments

The FASB Accounting Standards Codification is the single official source of authoritative, nongovernmental, U.S. GAAP, in addition to guidance issued by the Securities and Exchange Commission. This codification is designed to simplify U.S. GAAP into a single, topically ordered structure.

In April 2011, FASB issued ASU 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring". This amendment explains which modifications constitute troubled debt restructurings ("TDR"). With this new guidance, the definition of a troubled debt restructuring remains essentially unchanged, but for loan modification to be considered a TDR, certain basic criteria must still be met. For public companies, the new guidance is effective for interim and annual periods beginning on or after June 15, 2011, and applies retrospectively to restructuring occurring on or after the beginning of the fiscal year of adoption. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In May 2011, FASB issued ASU 2011-04 updating results in common fair value measurements and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board's intention regarding the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For public entities, the new guideline is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The Company does not expect that the guidance effective in future periods will have a material impact on its consolidated financial statements.

In January 2010, the FASB issued ASU No. 2010-06 regarding fair value measurements and disclosures and improvement in the disclosure about fair value measurements. This ASU requires additional disclosures regarding significant transfers in and out of Levels 1 and 2 of fair value measurements, including a description of the reasons for the transfers. Further, this ASU requires additional disclosures for the activity in Level 3 fair value measurements, requiring presentation of information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In July 2010, the FASB issued ASU No. 2010-20, Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses. This ASU amends FASB Accounting Standards Codification Topic 310, Receivables, improving the disclosures that an entity provides about the credit quality of its receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to separate, by segment or class of financing receivables, certain disclosures and provide certain new disclosures receivables and related credit losses. This ASU is effective for interim and annual reporting periods ending on or after December 15, 2010. The adoption of this ASU did not have a material effect on our consolidated financial statements.

On December 21, 2010, the FASB issued ASU 2010-29, which impacts any public entity that enters into business combinations that are material on an individual or aggregate basis. This ASU provides that if a public entity presents comparative financial statements, the entity should disclose revenues and earnings of the combined entity as if the business that occurred had occurred at the beginning of the prior annual period when preparing current and prior year reporting. The guidance also requires that a narrative description regarding the nature and amount of material that is nonrecurring, be included in reporting revenues and earnings. This guidance is effective for business combinations consummated in periods beginning after December 15, 2010. We do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Principal Financial Officer to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervision of and with the participation of the Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15 and 15d-15 under the Exchange Act). Based upon that evaluation, the Company's Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report, to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, completely and accurately, within the time periods specified in SEC rules and forms because a transaction was not properly recorded in order for the Company's financial statements to be prepared in accordance with generally accepted accounting principles, as discussed below

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Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the first quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

PART II--OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are no legal proceedings in which the Company is involved at this time.

ITEM 1A. RISK FACTORS.

Not required

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

We did not have any unregistered sales of equity securities during the quarter ended June 30, 2011 that have not been reported in a Current Report on Form 8-K.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended June 30, 2011.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. (REMOVED AND RESERVED)

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

			Incorporated by reference			
Exhibit number	**Exhibit description**	**Filed herewith**	**Form**	**Period ending**	**Exhibit No.**	**Filing date**
31.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS	Instance Document*	X				
101.SCH	Taxonomy Extension Schema Document*	X				
101.LAB	Taxonomy Extension Label Linkbase Document.*	X				
101.PRE	Taxonomy Extension Presentation Linkbase Document.*	X				

* Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALL-AMERICAN SPORTPARK, INC.

(Registrant)

Date: August 11, 2011

By: /s/ Ronald Boreta

Ronald Boreta, President, Chief Executive Officer, and Treasurer (On behalf of the Registrant and as Principal Financial Officer)