ALL AMERICAN SPORTPARK INC
Form 10-Q
November 14, 2012

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 September 30, 2012

¨ 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. Yesx 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). Yesx 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 Nox

The number of shares of Common Stock, $0.001 par value, outstanding on November 5, 2012 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 SPORT PARK , INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash	$ 6,367	$ 1,900
Accounts receivable	168	2,807
Prepaid expenses and other	6,658	107,472
Total current assets	13,193	112,179
Property and equipment, net of accumulated depreciation of $675,343 and $856,025, as of 2012 and 2011, respectively	689,629	693,364
Total assets	$ 702,822	$ 805,543
Liabilities and Stockholders' (Deficit)		
Current liabilities:		
Cash in excess of available funds	$ 6,627	$ 29,184
Accounts payable and accrued expenses	308,893	160,469
Current portion of notes payable - related parties	4,279,495	4,184,494
Current portion due to related parties	1,301,494	1,370,830
Current portion of capital lease obligation	34,048	43,208
Accrued interest payable - related party	4,871,348	4,550,848
Total current liabilities	10,801,905	10,339,033
Long-term liabilities:		
Long-term portion of capital lease obligation	15,721	29,469
Deferred rent liability	701,902	699,435
Total long-term liabilities	717,623	728,904
Total liabilities	11,519,528	11,067,937

Commitments and contingencies		
Stockholders' (deficit):		
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	-	-
Common stock, $0.001 par value, 50,000,000 shares authorized, 4,522,123 and 4,522,123 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	4,522	4,522

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Additional paid-in capital		14,387,972		14,387,972
Accumulated (deficit)		(25,571,113)		(24,976,480)
Total All-American SportPark, Inc. stockholders' (deficit)		(11,178,619)		(10,583,986)
Non-controlling interest in net assets of subsidiary		361,913		321,592
Total stockholders' deficit		(10,816,706)		(10,262,394)
Total liabilities and stockholders' (deficit)	$	702,822	$	805,543

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

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ALL-AMERICAN SPORTPARK, INC.
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Revenue	$ 435,968	$ 460,049	$ 1,571,626	$ 1,539,771
Revenue - Related Party	40,446	39,312	119,070	117,936
Total Revenue	476,414	499,361	1,690,696	1,657,707
Cost of revenue	194,662	177,202	573,350	532,827
Gross profit	281,752	322,159	1,117,346	1,124,880
Expenses:				
General and administrative expenses	408,331	404,355	1,121,065	1,102,517
Depreciation and amortization	25,612	28,596	81,525	81,590
Total expenses	433,943	432,951	1,202,590	1,184,107
(Loss) from operations	(152,191)	(110,792)	(85,244)	(59,227)
Other income(expense):				
Interest expense	(135,000)	(123,601)	(405,705)	(369,666)
(Loss) gain on property and equipment	(2,436)	-	(60,881)	36,533
Other income (expense)	(2,482)	-	(2,482)	(147)
Total other income (expense)	(139,918)	(123,601)	(469,068)	(333,280)
Net income (loss) before provision for income tax	(292,109)	(234,393)	(554,312)	(392,507)
Provision for income tax expense	-	-	-	-
Net income (loss) attributable to non-controlling interest	(44,365)	(13,297)	40,321	105,770

Net (loss) attributable to All-American SportPark, Inc.	$ (247,744)	$ (221,096)	$ (594,633)	$ (498,277)
Net loss per share – basic and fully diluted	$ (0.06)	$ (0.05)	$ (0.12)	$ (0.11)
Weighted average number of common shares outstanding – basic and fully diluted	4,522,123	4,522,123	4,522,123	4,522,123

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

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ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2012	**2011**
Cash flows from operating activities		
Net (loss)	$ (554,312)	$ (392,507)
Adjustments to reconcile net loss to net cash provided (used) in operating activities:		
Depreciation and amortization expense	81,525	81,590
Loss (gain) on disposal of property and equipment	60,881	(36,533)
Changes in operating assets and liabilities:		
Accounts receivable	2,639	216
Prepaid expenses and other	10,814	(9,432)
Cash in excess of available funds	(22,557)	20,892
Accounts payable and accrued expenses	148,424	(26,965)
Deferred rent liability	2,467	3,290
Accrued interest payable - related party	320,500	306,824
Net cash provided (used) by operating activities	50,381	(52,621)
Cash flows from investing activities		
Insurance proceeds on property and equipment	-	46,436
Purchase of property and equipment	(48,671)	(79,314)
Net cash used by investing activities	(48,671)	(32,878)
Cash flows from financing activities		
Proceeds (payments) from related parties	(69,336)	77,946
Payment on capital lease obligation	(22,908)	(912)
Proceeds from notes payable - related party	95,001	-
Payments on notes payable – related party	-	(2,182)
Net cash provided by financing activities	2,757	74,852
Net increase (decrease) in cash	4,467	(10,647)
Cash - beginning	1,900	10,647
Cash - ending	$ 6,367	$ -
Supplemental disclosures:		
Interest paid	$ -	$ 142
Income taxes paid	$ -	$ -
Supplemental disclosure of non-cash investing activities:		
Cash payment for equipment in prior year	90,000	-
Assumption of capital lease obligation	-	115,884

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, 2011 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 September 30, 2012, we had an accumulated deficit of $25,571,113. In addition, the Company's current liabilities exceed its current assets by $10,788,712 as of September 30, 2012. 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 July of 2012 changes were issued by the Financial Accounting Standards Board (FASB) regarding Entertainment – Films in which it discusses accounting for Fair Value Information That arises after the Measurement Date and its inclusion in the Impairment Analysis of

Unamortized Film Costs. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statement.

In June of 2012, the FASB issued a standard regarding Business Combinations as a consensus of the FASB Emerging Issues Task Force updated the above standard stating that subsequent accounting for an indemnification asset recognized at the acquisition date as a result of a government-assisted acquisition of a financial institution. After reviewing we found that there will be no changes in our presentation with regards to this new standard as it has no impact on the Consolidated Financial Statements.

In May of 2012 an Update to the Statement of Cash Flows was issued by the FASB stating that Not-for-Profit Entities are required to classify their sales proceeds of donated financial assets in the statement of cash flows as a consensus of the FASB Emerging Issues Task Force. This has no implication for us and will not change our Consolidated Cash Flow.

An update to Technical Amendments and Corrections to SEC Sections: was issued March of 2012 by FASB stating amendments to SEC Paragraphs Pursuant to SEC Staff accounting bulletin No. 114, Technical Amendments pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting standards Update 2010-22 (SEC Update).

In February 2012 an update by FASB was made to Intangibles – Goodwill and Other (Topic 350) regarding testing indefinite live intangible assets for impairment. As well in January 2012 an update was made to Health Care Entities (Topic 954) by the FASB regarding continuing care retirement communities – refundable advance fees.

Note 4 – Non-controlling interest

Non-controlling interest represents the minority stockholders' proportionate share of the equity of All-American Golf Center ("AAGC') which is a 51% owned subsidiary of the Company. At September 30, 2012, 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 "Non-controlling interest in consolidated subsidiary" in the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. As of September 30, 2012, St. Andrews Golf Shop, our minority interest partner and a related party held a $361,913 interest in the net asset value of our subsidiary AAGC and a $40,321 interest in the net income from operations of AAGC for the nine months ended September 30, 2012.

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.

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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 $63,459 and $68,712 for the nine months ended September 30, 2012 and 2011, 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 $1,301,494 and $1,370,830 as of September 30, 2012 and December 31, 2011, 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.

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 the nine months ended September 30, 2012 and 2011 were $162,500 and $40,000, respectively.

Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of September 30, 2012, and December 31, 2011, respectively:

	2012	2011
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	693,846	693,845
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	200,500	105,500
Total	$ 4,279,495	$ 4,184,494

All maturities of related party notes payable and the related accrued interest payable as of September 30, 2012 are due and payable upon demand. As of September 30, 2012, 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, the Company 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 September 30, 2012 and December 31, 2011, accrued interest payable - related parties related to the notes payable – related parties totaled $4,871,348 and $4,550,848, respectively .

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 nine months ended September 30, 2012 and 2011, the Company recognized rental income totaling $79,797 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 September 30, 2012, minimum future lease payments under non-cancelable operating leases are as follows:

2012	$	132,460
2013		529,840
2014		529,840
2015		529,840
2016		529,840
Thereafter		3,311,503
	$	5,563,323

Total rent expense for this operating lease was $363,722 and $364,545 for the nine months ended September 30, 2012 and 2011, respectively.

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. The Company pays $2,612 a month in principal and interest expense related to the lease.

The Company entered into a capital lease for a new telephone system during the third quarter of 2011. The lease is 36 months in length and started in July of 2011. The Company pays $642 a month in principal and interest expense related to the lease.

The following is a schedule by year of future minimum payments required under these lease agreements.

2012	$	8,121
2013		38,471
2014		6,767
Total payments		53,359
Less interest		(3,590)
Total principal		49,769
Less current portion		34,048
Long-term portion	$	15,721

Accumulated depreciation for the capital leases as of September 30, 2012 and December 31, 2011 was $23,179 and $49,154, 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 expended amounts to improve both its range facility as well as the golfing center. These improvements included Callaway Golf® branding elements. Callaway provide funding and resources towards operating expenses of AAGC in 2009; 2) towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, paid in the form of golf merchandise to SAGS. AAGC is 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.

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 are recorded as a reduction of the Company’s costs for the related advertising. Additionally, the contributions

are paid to SAGS in the form of golf related products. SAGS then reimburses AAGC in monies as the related golf products are received. During the nine months ended September 30, 2012 and 2011, SAGS reimbursed AAGC $78,841and $70,921, respectively for advertising costs.

Note 7 – Stockholders' deficit

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

Preferred stock

As of September 30, 2012, we had no preferred shares issued and outstanding.

Common stock

As of September 30, 2012, we had 4,522,123 shares of our $0.001 par value common stock issued and outstanding. We had no new issuances during the nine months ended September 30, 2012.

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 were no significant subsequent events that have taken place since that date.

I TEM 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, pursuant to the Customer Agreement AAGC expended amounts to improve both its range facility as well as the golfing center. These improvements included Callaway Golf® branding elements. Callaway provide funding and resources towards operating expenses of AAGC in 2009; 2) towards facility improvements for both AAGC and St. Andrews Golf Shop; 3) range landing area improvements of AAGC and 4) three payments each of $250,000 for annual advertising expenses paid by AAGC, paid in the form of golf merchandise to SAGS. AAGC is reimbursed by SAGS for AAGC's expenditures in advertising as incurred.

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 are 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 then reimburses 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 September 30, 2012 and 2011 compared.

The following tables summarize selected items from the statement of operations for the three months ended September 30, 2012 compared to the three months ended September 30, 2011.

INCOME:

	For the three months ended September 30,		Increase (Decrease)	
	2012	**2011**	**$**	**%**
Revenue	$ 435,968	$ 460,049	(24,081)	(5.23)%
Revenue – Related Party	40,446	39,312	1,134	2.89 %
Cost of Sales	194,662	177,202	17,460	9.85 %
Gross Profit	$ 281,752	$ 322,159	(40,407)	(12.54)%
Gross Profit Percentage of Sales	59.14 %	64.51 %		

Revenue

Our revenue for the three months ended September 30, 2012 was $ 435,968 compared to $460,049 in the three months ended September 30, 2011, a decrease of $24,081, or 5.23%. The decrease in revenue was due to a heavy "monsoon" season in Las Vegas during which we had record rainfall which kept golfers off the course during the months of August and September of 2012. We offered a Groupon® special in the third quarter of 2012 that had good results. The full amount of the deferred income for the most recent Groupon® offer will be realized by the end of January 2013.

Revenue-Related Party for the three months ended September 30, 2012 was $40,446, which was a slight increase over the three months ended September 30, 2011. This was due to a lease-designated rent increase for the Saint Andrews Golf Shop.

Cost of Sales/Gross Profit Percentage of Sales

Cost of sales currently consists mainly of payroll and benefits expenses of the AAGC staff, and operating supplies. Our cost of sales for the three months ended September 30, 2012 was $194,662, an increase of $17,460 or 9.85% from $177,202 for the three month period ending September 30, 2011. The increase is due to weather related damage to the golf course that required additional staffing and landscaping expenditures.

Gross profit as a percentage of sales decreased to 59.14%, for the three months ended September 30, 2012. Gross profit as a percentage of sales was 64.51% for the three months ended September 30, 2011. The reduction in gross profit in 2012 was due to the reduced revenues and increased cost of sales discussed above.

EXPENSES:

	For the three months ended September 30,		Increase (Decrease)	
	2012 Amount	2011 Amount	$	%
Expenses:				
General and administrative expenses	$ 408,331	$ 404,355	3,976	. 98 %
Depreciation and amortization	25,612	28,596	(2,984)	(10.44)%
Total expenses	433,943	432,951	992	. 23 %
Income from operations	(152,191)	(110,792)	(41,399)	(37.37)%
Other income (expense):				
Interest expense	(135,000)	(123,601)	(11,399)	(9.22)%
(Loss) gain on property and equipment	(2,436)	-	(2,436)	-
Other income (expense)	(2,482)	-	(2,482)	-
Total other income (expense)	(139,918)	(123,601)	(16,317)	(13.20)%
Net (loss) income	(292,109)	(234,393)	(57,716)	(19.80)%
Net income attributable to non-controlling interest	(44,365)	(13,297)	(31,068)	(33.36)%
Net loss attributable to All-American SportPark, Inc.	(247,744)	(221,096)	(26,648)	(8.92)%

General and Administrative Expenses

General and administrative expenses for the three months September 30, 2012 were $408,331, an increase of $3,976 or .98%, from $404,355 for the three months ended September 30, 2011. Expenses were slightly up as we had to repair damage caused by the record breaking rains we experienced in the third quarter.

Depreciation and amortization expenses for the three months ended September 30, 2012 were $25,612 a decrease of $2,984, or 10.44% from $28,596 for the three months ended September 30, 2011.

Total Expenses

Our overall operating expenses increased to $433,943 for the three months ended September 30, 2012 as compared to $432,951 for the three months ended September 30, 2011. The decrease in total expenses was $992 or .23%.

Loss from Operations

We had a loss from operations of $152,191 for the three months ended September 30, 2012 as compared to a loss from operations of $110,792 for the three months ended September 30, 3011 decrease of $41,399 or (37.37)%. The increased loss was due to less revenue as a result of the unseasonable weather and the extra staff and equipment needed to repair damage from the weather during the three months ending September 30, 2012.

Interest Expense

Our interest expense increased by 9.22% or $11,399 from $123,601 for the three months ended September 30, 2011 to $135,000 for the three months ended September 30, 2012. The difference is due to continued growth of interest on various leases telephone and landscape equipment leases.

Loss on Property and Equipment

A review of our fixed assets found that some items were no longer in service or had been disposed of. Those items were adjusted in the second quarter of 2012. Further adjustments were completed in the third quarter. The loss on property and equipment was $2,436 as compared to no loss in the third quarter 2011.

Net Loss

The net loss for the three months ended September 30, 2012 was $292,109 (before non-controlling interest) as compared with net loss of $234,393 for the same period in 2011. The increased net loss was primarily due to a decrease in revenue due to unseasonable weather and increased cost of sales as a result of the cleanup that was required.

The net income attributable to non-controlling interest for the third quarter of 2012 was $44,365 as compared to $13,297 for the same period in 2011. That resulted in net loss attributable to

All-American Sport Park of $247,744 for 2012 as compared to $221,096 for 2011, an increase of $26,648 or 12.05%.

Results of Operations for the nine months ended September 30, 2012 and 2011 compared.

The following tables summarize selected items from the statement of operations for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011.

INCOME:

	For the nine months ended September 30,		Increase (Decrease)	
	2012	**2011**	**$**	**%**
Revenue	$ 1,571,626	$ 1,539,771	31,855	2.07 %
Revenue – Related Party	119,070	117,936	1,134	. 96 %
Cost of Sales	573,350	532,827	40,523	7.61 %
Gross Profit	$ 1,117,346	$ 1,124,880	(7,534)	. 67 %
Gross Profit Percentage of Sales	66.09 %	67.86 %		

Revenue

Our revenue for the nine months ended September 30, 2012 was $1,571,626 compared to $1,539,771 in the nine months ended September 30, 2011, an increase of $31,855, or 2.07%. Revenues were up in the first and second quarter which helped reduce the impact of the third quarter on the year overall. This was due to our "Play All Day' package, and our continued participation in the Groupon® advertising programs that offered customers discounted play at the CGC which could be used over a six month period. .

Revenue-Related Party for the nine months ended September 30, 2012 was $119,070, increased $1,134 for the nine months ended September 30, 2011. This was due to a lease-designated rent increase for the Saint Andrews Golf Shop.

Cost of Sales/Gross Profit Percentage of Sales

Cost of sales currently consists mainly of payroll and benefits expenses of the AAGC staff, and operating supplies. Our cost of sales for the nine months ended September 30, 2012 was $573,350, an increase of $40,523, or 7.61%, from $532,827 for the nine months ended September 30, 2011. The increase is due to an earlier than usual golf season in 2012 which required additional staffing and landscaping expenses as well as the extra work needed to fix issues on the course related to the unusually heavy rains we experienced in August and September 2012.

Gross profit as a percentage of sales decreased to 66.09%, for the nine months ended September 30, 2012. Gross profit as a percentage of sales was 67.86% for the nine months ended September 30, 2011.

EXPENSES:

	For the nine months ended September 30,			
	2012 Amount	**2011 Amount**	**$**	**%**
Expenses:				
General and administrative expenses	$ 1,121,065	$ 1,102,517	19,549	1.68 %
Depreciation and amortization	81,525	81,590	(65)	(. 08)%
Total expenses	1,202,590	1,184,107	18,483	1.56 %
Income (loss) from operations	(85,244)	(59,227)	26,017	43.93 %
Other income (expense):				
Interest expense	(405,705)	(369,666)	36,039	9.75 %
(Loss) gain on property andequipment	(60,881)	36,533	(97,414)	(66.65)%
Other income (expense)	(2,482)	(147)	(2,335)	(16.88)%
Total other income (expense)	(469,068)	(333,280)	(135,788)	(140.74)%
Net (loss)	(554,312)	(392,507)	(161,805)	(29.19)%
Net income (loss) attributable to non-controlling interest	40,321	105,770	146,091	38.12 %
Net loss attributable to All-American SportPark, Inc.	(594,633)	(498,277)	(96,356)	119.34 %

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2012 were $1,121,065, an increase of $19,549, or 1.68%, from $1,102,517 for the nine months ended September 30, 2011. Expenses were slightly higher in the nine months ending September 2012 due to payments made on the landscaping used to finish the pump house/lake conversion project which started at the end of 2011. This project was completed in April 2012.

Depreciation and amortization expenses for the nine months ended September 30, 2012 were $81,525, a decrease of $65 or .08% from $81,590 for the nine months ended September 30, 2011. The decrease in depreciation has to do with the items written off in prior quarters of 2012.

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Total Expenses

Our overall operating expenses increased to $1,202,590 for the nine months ended September 30, 2012 as compared to $1,184,107 for the nine months ended September 30, 2011. The increase in total expenses was $18,483or 1.56% and was primarily due to the payments made to modify the lake.

Loss from Operations

We had loss from operations of $85,244 for the nine months ended September 30, 2012 as compared to a loss from operations of $59,227 for the nine months ended September 30, 2011 an increase of $26,017 or 43.93%. The increased loss from operations was due to an increase in our overall general and administrative expenses for the nine months ending September 30, 2012. This was due, in part to increased purchases of supplies such as mats, and rubber tees for the driving range as well as new equipment to repair the ball washers and ball retrieval systems.

Interest Expense

Our interest expense increased by 9.75% or $36,039 from $369,666 for the nine months ended September 30, 2011 to $405,705 for the nine months ended September 30, 2012. The difference is due to continued growth of interest on various leases telephone and landscape equipment leases..

(Loss) Gain on Property and Equipment

A review of our fixed assets found that some items were no longer in service or had been disposed of. Those items were adjusted in the third quarter of 2012. The loss on property and equipment was $60,881 as compared to a gain during the nine months ended September 30, 2011 of $36,533.

Net Loss

The net loss for the nine months ended September 30, 2012 was $554,312 (before non-controlling interest) as compared with a net loss of $392,507 for the same period in 2011. This is an increase of $161,805, or 29.19% from the same period in 2011. The increased net loss was primarily due to the retiring of fixed assets in 2012. Additional contributing factors were the costs associated with the modification of the lake, and the additional expenses related to unusually heavy rains and the repairing of damage from those storms in 2012.

The net income attributable to non-controlling interest for the first nine months of 2012 was $40,321 as compared to $105,770 for the same period in 2011. That resulted in net loss attributable to All-American Sport Park of $594,633 for 2012 as compared to $498,277 for 2011, an increase of $96,356 or 119.34%.

Liquidity and Capital

Cash Flows

Our cash and cash equivalents as of September 30, 2012 totaled $6,367 representing a $6,367 increase over December 31, 2011. This increase in available cash was due to the following factors during the period:

Operations: Net cash provided by operating activities during the nine months ended September 30, 2012 were $50,381 as compared to $52,625 used by operating activities during the same period in 2011. The increase is due primarily to a gain on disposal of property and equipment, and also changes in accounts receivable, prepaid expenses and accounts payable and accrued expenses.

Investing: Net cash used by investing activities during the nine months ended September 30, 2012 increased slightly over the same period in 2011. The increased use of cash was due to purchase of property and equipment which totaled $48,671 for the nine months ended September 30, 2012 as compared to $32,878 during the same period in 2011. The increase was due to an insurance claim that paid for damaged equipment in 2011, reducing overall investing.

Financing: Net cash provided by financing activities were $2,757 during the nine months ended September 30, 2012 as compared to $74,852 during the same period in 2011. The decrease was due to a decrease in proceeds from related parties and payments on capital lease obligation.

Commitments

We currently have material commitments for capital leases of Club Car golf carts, a telephone system and our ground lease. We do not anticipate entering into any additional commitments in the next twelve months.

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 September 30, 2012 compared to December 31, 2011.

	September 30, 2012	December 31, 2011	Increase / (Decrease) $	%
Current Assets	$ 13,139	$ 112,179	(99,040)	(88.24)%
Current Liabilities	10,801,905	10,339,033	462,872	1.04 %
Working Capital Deficit	10,788,766	10,226,854		

Sources of Liquidity.

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 September 30, 2012, our cash balance was $6,367. 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 are continuing to rely on our customer agreement with Callaway Golf that to provide 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. 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 July of 2012 changes were issued by the Financial Accounting Standards Board (FASB) regarding Entertainment – Films in which it discusses accounting for Fair Value Information That arises after the Measurement Date and its inclusion in the Impairment Analysis of Unamortized Film Costs. There will be no changes in our presentation with regards to this new standard as it does not affect our Consolidated Financial Statement.

In June of 2012, the FASB issued an standard regarding Business Combinations as a consensus of the FASB Emerging Issues Task Force updated the above standard stating that subsequent accounting for an indemnification asset recognized at the acquisition date as a result of a government-assisted acquisition of a financial institution. After reviewing we found that there will be no changes in our presentation with regards to this new as it has no impact on the Consolidated Financial Statements.

In May of 2012 an Update to the Statement of Cash Flows was issued by the FASB stating that Not-for-Profit Entities are required to classify their sales proceeds of donated financial assets in the statement of cash flows as a consensus of the FASB Emerging Issues Task Force. This has no implication for us and will not change our Consolidated Cash Flow.

An update to Technical Amendments and Corrections to SEC Sections: was issued March of 2012 by FASB stating amendments to SEC Paragraphs Pursuant to SEC Staff accounting bulletin No. 114, Technical Amendments pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting standards Update 2010-22 (SEC Update).

In February 2012 an update by FASB was made to Intangibles – Goodwill and Other (Topic 350) regarding testing indefinite live intangible assets for impairment. As well in January 2012 an update was made to Health Care Entities (Topic 954) by the FASB regarding continuing care retirement communities – refundable advance fees.

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.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the third 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 PROCEEDS.

We did not have any unregistered sales of equity securities during the quarter ended 30, 2012 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 September

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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				

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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: November 14, 2012

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