ALL AMERICAN SPORTPARK INC
Form 10-Q
May 16, 2016

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 March 31, 2016

¨ 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 May 12, 2016 was 4,624,123 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

	March 31, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets:		
Cash	$ 45,625	$ 5,856
Accounts receivable	13,410	18,339
Prepaid expenses and other current assets	12,851	15,274
Total current assets	71,886	39,469
Property and equipment, net of accumulated depreciation of $756,040 and $728,726, as of March 31, 2016 and December 31, 2015, respectively	498,603	527,373
Total Assets	$ 570,489	$ 566,842
Liabilities and Stockholders' Deficit		
Current liabilities:		
Cash in excess of available funds	$ 1,677	$ 29,371
Accounts payable and accrued expenses	809,557	773,700
Current portion of deferred revenue	100,000	125,000
Notes payable - related parties	4,299,226	4,299,226
Due to related parties	1,736,696	1,724,286
Current portion of capital lease obligation	32,390	32,082
Current portion on deferred rent liability	27,938	43,780
Accrued interest payable - related party	6,310,969	6,205,675
Total current liabilities	13,318,453	13,233,120
Long-term liabilities:		
Long-term portion of capital lease obligation	25,450	33,623
Deferred revenue	100,000	100,000
Deferred rent liability	521,555	516,658
Total long-term liabilities	647,005	650,281
Commitments and Contingencies		

Stockholder's deficit:				
Preferred stock, Series "B", $0.001 par value, 10,000,000 shares authorized,		-		-
no shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively				
Common stock, $0.001 par value, 50,000,000 shares				
authorized, 4,624,123 and 4,522,123 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively		4,624		4,624
Prepaid equity-based compensation		(377)		(944)
Additional paid-in capital		14,408,270		14,408,270
Accumulated deficit		(28,297,157)		(28,169,696)
Total All-American SportPark, Inc. stockholders' deficit		(13,884,640)		(13,757,746)
Non-controlling interest in net assets of subsidiary		489,671		441,187
Total stockholders' deficit		(13,394,969)		(13,316,559)
Total Liabilities and Stockholders' Deficit	$	570,489	$	566,842

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

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ALL-AMERICAN SPORTPARK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ending March 31,			
	2016		2015	
Revenue	$	526,618	$	520,030
Revenue - Related Party		40,950		40,950
Total Revenue		567,568		560,980
Cost of revenue		130,035		144,515
Gross profit		437,533		416,465
Expenses:				
General and administrative expenses		355,987		340,546
Depreciation and amortization		28,770		27,314
Total expenses		384,757		367,860
Net operating income		52,776		48,605
Other expenses:				
Interest expense		(131,753)		(133,224)
Total other income (expense)		(131,753)		(133,224)
Net loss before provision for income tax		(78,977)		(84,619)
Provision for income tax expense		-		-
Net loss		(78,977)		(84,619)
Net income attributable to non-controlling interest		48,484		52,435
Net loss attributable to All-American SportPark, Inc.	$	(127,461)	$	(137,054)
Net loss per share - basic and fully diluted	$	(0.03)	$	(0.03)
Weighted average number of				

common shares outstanding - basic and fully diluted	4,624,123	4,624,123

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 Three Months Ended March 31,	
	2016	**2015**
Cash flows from operating activities		
Net loss	$ (78,977)	$ (84,619)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	28,770	27,314
Stock-based compensation	567	1,415
Changes in operating assets and liabilities:		
Accounts receivable	4,929	(2,415)
Prepaid expenses and other current assets	2,423	(3,261)
Cash issued in excess of available funds	(27,694)	(15,846)
Accounts payable and accrued expenses	35,857	5,589
Deferred revenue	(25,000)	125,000
Deferred rent liability	(10,945)	(10,945)
Accrued interest payable - related party	105,294	62,410
Net cash provided by (used in) operating activities	35,224	104,642
Cash flows from investing activities		
Purchase of property and equipment	-	(8,739)
Net cash used in investing activities	-	(8,739)
Cash flows from financing activities		
Proceeds from related parties	81,270	320,266
Repayments to related parties	(68,860)	(287,022)
Payment on capital lease obligation	(7,865)	(7,487)
Proceeds from note payable – related parties	-	34,720
Payments on notes payable – related parties	-	(106,550)
Net cash provided by financing activities	4,545	(46,073)
Net increase in cash	39,769	49,830
Cash – beginning	5,856	2,200
Cash – ending	$ 45,625	$ 52,030
Supplemental disclosures:		
Interest paid	$ -	$ 43,926
Income taxes paid	$ -	$ -

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, 2015 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 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 March 31, 2016, we had an accumulated deficit of $28,297,157. In addition, the Company's current liabilities exceed its current assets by $13,246,567 as of March 31, 2016.

The Company's management believes that its continuing operations may not be sufficient to fund operating cash needs and debt service requirements over at least the next 12 months. As such, management plans on seeking other sources of funding including the restructuring of current debt as needed, which may include Company officers or directors

and/or other related parties. In addition, management continues to analyze all operational and administrative costs of the Company and has made and will continue to make the necessary cost reductions as appropriate. The inability to build attendance to profitable levels beyond a 12-month period may require the Company to seek additional debt, restructure existing debt or equity financing to meet its obligations as they come due. There is no assurance that the Company would be successful in securing such debt or equity financing in amounts or with terms acceptable to the Company.

Nevertheless, management continues to seek out financing to help fund working capital needs of the Company. In this regard, management believes that additional borrowings against the TMGE could be arranged although there can be no assurance that the Company would be successful in securing such financing or with terms acceptable to the Company. Among its alternative courses of action, management of the Company may seek out and pursue a business combination transaction with an existing private business enterprise that might have a desire to take advantage of the Company's status as a public corporation. There is no assurance that the Company will acquire a favorable business opportunity through a business combination. In addition, even if the Company becomes involved in such a business opportunity, there is no assurance that it would generate revenues or profits, or that the market price of the Company's common stock would be increased thereby.

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

The Company believes there are no new accounting pronouncements adopted but not yet effective that is relevant to the readers of our financial statements.

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 March 31, 2016, 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 March 31, 2016, St. Andrews Golf Shop, our minority interest partner and a related party, held a $489,671 interest in the net asset value of our subsidiary AAGC and a $48,484 interest in the net income from operations of AAGC.

Note 5 – Related party transactions

Due to related parties

The Company's employees provide administrative/accounting support for (a) three golf retail stores, named Saint Andrews Golf Shop ("SAGS"), Las Vegas Golf and Tennis ("Boca Store") and Las Vegas Golf and Tennis Superstore ("Westside 15 Store"), owned by Ronald Boreta, the Company's President, and his brother, John Boreta, a Director of the Company. The SAGS store is the retail tenant in the TMGE.

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 $3,885 and $4,598 for the three months ended March 31, 2016 and 2015, 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 and his brother, and the former Chairman. These funds helped pay for office supplies, phone charges, postages, and salaries. The net amount due to these stores totaled $1,736,696 and $1,724,286 as of March 31, 2016 and December 31, 2015, 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 Ronald Boreta and John Boreta have continued to defer half of their monthly salaries until the Company is in a more positive financial state. The amounts deferred for the first three months of 2016 and 2015 were $24,375 and $24,375, respectively.

Notes and Interest Payable to Related Parties:

The Company has various notes and interest payable to the following entities as of March 31, 2016, and December 31, 2015, respectively:

		2016		2015
Various notes payable to Vaso Boreta bearing 10% per annum and due on demand (1)	$	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 (2)	$	100,000	$	100,000
Various notes payable to SAGS, bearing 10% per annum and due on demand (3)		704,656	$	704,656
Various short term notes payable to the Westside 15 Store, bearing 10% per annum and due on demand (4)	$	93,921	$	93,921
Note payable to BE, III bearing 10% per annum and due on demand (5)	$	200,500	$	200,500
Total	$	4,299,226	$	4,229,226

1) Vaso Boreta is the former Chairman of the Board of the Company who passed away in October 2013.
2) BE Holdings1. LLC is owned by Ronald Boreta and John Boreta.
3) Saint Andrews is owned by Ronald Boreta and John Boreta.
4) The Westside 15 Store is owned by Ronald Boreta and John Boreta
5) BE III, LLC is owned by Ronald Boreta and John Boreta.

All maturities of related party notes payable and the related accrued interest payable as of March 31, 2016 are due and payable upon demand. At March 31, 2016, 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 and now a Director 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 March 31, 2016 and December 31, 2015, accrued interest payable - related parties related to the notes payable – related parties totaled $6,310,969 and $6,205,675 respectively.

Lease to SAGS

The Company subleases space in the clubhouse to SAGS. Base rent includes $13,104 per month through July 2013 with a 5% increase for each of two 5-year options to extend in July 2013 and July 2017. For the three months ending March 31, 2016 and 2015, the Company recognized rental income totaling $40,950 and $40,950, respectively.

Note 6 – Commitments

Lease agreements

The land underlying the TMGE is leased under an operating lease that was to initially expire in 2013 and had 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 March 31, 2016, minimum future lease payments under non-cancelable operating leases are as follows:

2016	$	400,676
2017		397,380
Thereafter		2,914,122

Total	$	3,712,178

Total rent expense for this operating lease was $132,460 and $132,460 for the three months ended March 31, 2016 and 2015.

Capital Lease

The Company entered into a capital lease for new Club Car gas powered golf carts. The lease is 48 months in length and started on December 8, 2013. The Company pays $2,887 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.

	Yearly Amount
2016	24,211
2017	33,629
Total	$ 57,840

Customer Agreement

On June 19, 2009, AAGC entered into a Customer Agreement with Callaway Golf Company ("Callaway") and Saint Andrews pursuant to which Callaway has agreed to make certain cash payments and other consideration to AAGC and Saint Andrews in exchange for an exclusive marketing arrangement for the golf center operated by AAGC. Callaway is a major golf equipment manufacturer and supplier.

On March 9, 2013, AAGC entered into an amendment to its Customer Agreement with Callaway (the “Amendment”). The Amendment provided that AAGC was to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternative retail branding partner. In the event that AAGC was successful in executing a written contract with an alternative retail branding partner, the Customer Agreement would terminate on June 30, 2013.

Pursuant to the terms of the Amendment, Callaway was not required to pay any marketing funds or other fees or expenses required under the Customer Agreement during the first two quarters of 2013. The Amendment also provided that Callaway could, at its option, continue to feature its products in a second position at the golf center, of which they have chosen to do, after termination of the Customer Agreement, under certain terms and conditions.

Sponsorship Agreement

On March 27, 2013, AAGC entered into a Golf Center Sponsorship Agreement ("Sponsorship Agreement") with Taylor Made Golf Company, Inc., doing business as TaylorMade-adidas Golf Company ("TMaG") pursuant to which the golf center operated by AAGC was to be rebranded using TaylorMade® and other TMaG trademarks.

As part of the Sponsorship Agreement, TMaG agreed to reimburse AAGC for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition AAGC received a payment of $200,000 upon execution of the Sponsorship Agreement and, so long as AAGC continues to operate the golf center and comply with the terms and conditions of the Sponsorship Agreement TMaG made additional payments to AAGC on each of March 26, 2014 and March 26, 2015.

The Sponsorship Agreement provides that TMaG would install a performance lab at AAGC's facility that would include one nine-camera motion analysis system and one putting lab, and would provide additional services, equipment, supplies and resources for the golf center. The performance lab was installed in 2013. Phase I of the remodeling of the golf center included the entire golf shop, activities area/golf check-in and restaurant area and was completed in the first quarter of 2015. Phase II was completed in the third quarter of 2015.

The Sponsorship Agreement includes provisions concerning the display of TMaG merchandise, payment terms, retail sales targets and other related matters. Also, Saint Andrews Golf Shop, a tenant of AAGC which is owned by Ronald Boreta, the Company's President, and John Boreta, a Director of the Company, will receive a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by Ronald Boreta and John Boreta maintain TMaG as their premier vendor at its locations, TMaG will pay such stores a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at those locations.

The initial term of the Sponsorship Agreement is for five years. AAGC and TMaG may mutually agree in writing to extend the Sponsorship Agreement for an additional four year period; provided that the option to renew the Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the AAGC's lease on its golf center property.

Note 7 – Stockholders' deficit

Preferred stock

As of March 31, 2016, we had no preferred shares issued and outstanding.

Common stock

As of March 31, 2016, we had 4,624,123 shares of our $0.001 par value common stock issued and outstanding.

Equity-based compensation

On May 24, 2013, the Company granted 68,000 shares of restricted common stock to one director and one employee for services. In accordance with the terms of the grant, the shares will vest in full at the end of two years from the date of grant for the director. The restricted common stock granted to the employee will vest in full at the end of three years from the date of grant. The Company has recorded prepaid stock-based compensation of $3,211 representing the estimated fair value on the date of grant, and will amortize the fair market value of the shares to compensation expense ratably over the two and three year vesting periods.

Note 8 – Subsequent Events

On April 13, 2016, the Estate of Vaso Boreta (the "Estate") acquired 400,000 shares of the common stock of the Company from Ronald and John Boreta, who are Directors of the Company (the "Boretas"), in a private transaction. The consideration paid by the Estate for the shares was the transfer of promissory notes issued by the Company and certain other obligations involving the Estate. Included in the transfers are promissory notes payable by the Company to the Estate totaling approximately $3,300,000 in principal, together with all interest and other amounts that may be due and owing to the Estate. As a result of these transfers, the Boretas now own these obligations of the Company.

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.

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Overview of Current Operations

On June 19, 2009, AAGC entered into a Customer Agreement with Callaway Golf Company ("Callaway") and Saint Andrews pursuant to which Callaway agreed to make certain cash payments and other consideration to AAGC and Saint Andrews in exchange for an exclusive marketing arrangement for the Callaway Golf Center operated by AAGC. Callaway is a major golf equipment manufacturer and supplier. Saint Andrews subleases space at the Callaway Golf Center and operates a golf equipment store at the Callaway Golf Center.

The Customer Agreement with Callaway provided that Callaway would provide Saint Andrews with $250,000 annual advertising contribution in the form of golf related products. In addition, Saint Andrews was given an opportunity to earn additional credits upon reaching a sales threshold.

In connection with the signing of the Customer Agreement, AAGC received several concessions to help in the operation of the business, upgrading certain areas, and remodel of some portions of the AAGC facility. Callaway also provided staff uniforms, range golf balls and rental golf equipment for AAGC's use at the Callaway Golf Center. Both AAGC and Saint Andrews agreed to exclusively sell only Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement.

On March 9, 2013, AAGC entered into an amendment to its Customer Agreement with Callaway (the "Amendment"). The effective date of the Amendment was January 20, 2013. The Amendment provided that AAGC was to use all reasonable efforts to negotiate and enter into a non-exclusive written contract with an alternate retail branding partner. In the event that AAGC was successful in executing a written contract with an alternative retail branding partner, the Customer Agreement was to terminate on June 30, 2013. In the event that an agreement with an alternative retailed branding partner was not entered into by June 30, 2013, the Customer Agreement was to terminate on that date but AAGC would have the right to continue to feature its products in a second position at the TaylorMade Golf Experience after termination of Customer Agreement, under certain terms and conditions.

On March 27, 2013, AAGC entered into a Golf Center Sponsorship Agreement with Taylor Made Golf Company, Inc., doing business as TaylorMade-Adidas Golf Company ("TMaG") pursuant to which the golf center operated by AAGC will be rebranded using TaylorMade® and other TMaG trademarks.

As part of the Sponsorship Agreement, TMaG has agreed to reimburse AAGC for the reasonable costs associated with the rebranding efforts, including the costs associated with the build-out of the golf center and a new performance lab (described below), up to a specified maximum amount. In addition, AAGC received a payment of $200,000 within a few days of signing the Sponsorship Agreement and, so long as AAGC continues to operate the golf center and comply with the terms and conditions of the Agreement TMaG made additional payments to AAGC on each of March 2014 and March 2015. The last payment, in the amount of $100,000, was received on April 3, 2015. The Company will recognize these payments as revenue on a straight-line basis over the term of the agreement.

The Sponsorship Agreement provides that TMaG would install a performance lab at AAGC's facility that would include one nine-camera motion analysis system and one putting lab, and would provide additional services, equipment, supplies and resources for the golf center. The performance lab was installed in 2013. Phase I of the remodeling of the golf center included the entire golf shop, activities area/golf check-in and restaurant area and was completed in the first quarter of 2015. Phase II is expected to begin in the second or third quarter of 2015 and will involve remodeling the driving range area and additional construction in the golf shop.

The Sponsorship Agreement includes provisions concerning the display of TMaG merchandise, payment terms, retail sales targets and other related matters. Also, Saint Andrews Golf Shop, a tenant of AAGC which is owned by Ronald Boreta, the Company's President, and John Boreta, a Director of the Company, will receive a quarterly rebate based on the wholesale price of the TMaG merchandise purchased at the golf center. In addition, provided that the Las Vegas Golf and Tennis stores owned by Ronald Boreta and John Boreta maintain TMaG as its premier vendor at its locations, TMaG will pay such stores a quarterly rebate based on the wholesale price of the TMaG Merchandise purchased at those locations.

The initial term of the Sponsorship Agreement is for five years. AAGC and TMaG may mutually agree in writing to extend the Agreement for an additional four year period; provided that the option to renew the Sponsorship Agreement shall be determined by the parties not later than ninety (90) days prior to the end of the initial term and shall be consistent with the AAGC's lease on its golf center property.

On June 29, 2015, Forever 1, LLC leased the restaurant at the TaylorMade Golf Experience. They renamed the restaurant Flight Deck Bar and Grill. The tenant remodeled the entire restaurant space and opened to the public in September 2015. They offer fresh made foods for the restaurant and bar. The restaurant pays $3,500 in rent to AAGC monthly.

Results of Operations for the three months ended March 31, 2016 and 2015 compared.

INCOME:

Revenue

Our revenue for the three months ended March 31, 2016 was $526,618 compared to $520,030 in the three months ended March 31, 2015, an increase of $6,588, or 1.27%. The increase in revenue was due to slight increases in golf activities across the board. Revenue-Related Party for the three months ended March 31, 2016 was $40,950, compared to $40,950 in 2015.

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 March 31, 2016 was $130,035, a decrease of $14,480 or 10.02% from

$144,515 for the three month period ended March 31, 2014. The decrease is attributed to lower payroll expenses in 2016. Personnel changes were made in our grounds-keeping and caddy departments and this accounted for most of the decrease.

Gross profit as a percentage of sales increased to 77.09%, for the three months ended March 31, 2016. Gross profit as a percentage of sales was 74.24% for the three months ended March 31, 2015. The increase in gross profit is due to the factors discussed above.

EXPENSES:

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2016 were $355,987, an increase of $15,441 or 4.53%, from $340,546 for the three months ended March 31, 2015. Expenses were higher in 2016 due to an increase in our advertising budget totaling $5,500 and increases in repairs and maintenance.

Depreciation and amortization expenses for the three months ended March 31, 2016 were $28,770 an increase of $1,456, or 5.33% from $27,314 for the three months ended March 31, 2014. This increase is due to new equipment that was purchased at the end of 2015.

Total Expenses

Our overall operating expenses increased from $367,860 for the three months ended March 31, 2015 to $384,757 in 2016. The increase in total expenses was $16,897 or 4.59 %. The increase was mostly due to increases in repairs and maintenance on aging equipment.

Net Income from Operations

We had net income from operations of $52,776 for the three months ended March 31, 2016 as compared to net income from operations of $48,605 for the three months ended March 31, 2015 an increase of $4,171 or 8.58%.

Interest Expense

Our interest expense decreased by 1.10% or $1,471 from $133,224 for the three months ended March 31, 2015 to $131,753 for the three months ended March 31, 2016.

Net Loss

The net loss before non-controlling interest for the three months ended March 31, 2016 was $78,977 as compared to $84,619 for the same period in 2015. The decrease of $5,642 or 6.67% is due to our increase in net revenues and decrease in the costs of revenue.

The net income attributable to non-controlling interest for the second quarter of 2016 was $48,484 as compared to $52,435 for the same period in 2015. That resulted in net loss attributable to All-American Sport Park of $127,461 for 2016 as compared to $137,054 for 2015.

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 have partnered with TaylorMade/adidas Golf Company ("TMaG") to create an updated facility with a new name and brand. This is expected to help us in generating positive internal operating cash flow.

The following table summarizes our current assets, liabilities, and working capital at March 31, 2016 compared to December 31, 2015.

	March 31, 2016	December 31, 2015	Increase / (Decrease) $	%
Current Assets	$71,886	$39,469	$32,417	82.13%
Current Liabilities	13,318,453	13,233,120	85,333	0.65%
Working Capital Deficit	$13,246,567	$13,193,651		

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 March 31, 2016, our cash balance was $45,625. With an increased cash balance at the end of the first quarter, we are working on paying down some of the short term loans provided by Ronald Boreta and John Boreta.

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 of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Revenue Recognition: The Company primarily earns revenue from golf course green fees, driving range ball rentals and golf and cart rentals, which are recognized when received as payments for the services provided. Lease and sponsorship revenues are recognized as appropriate when earned.

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.

Recent Accounting Developments

The Company believes there are no new accounting standards adopted but not yet effective that are relevant to the readers of our 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.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the quarter ended March 31, 2016 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 March 31, 2016.

We did not repurchase any of our equity securities during the quarter ended March 31, 2016.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit number	Exhibit description	Filed herewith	Incorporated by reference 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				

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: May 16, 2016

By: /s/ Ronald Boreta

Ronald Boreta, President, Chief Executive Officer,

and Treasurer (On behalf of the Registrant and as Principal Financial Officer)