

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2010
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934:**
For the transition period from _____ to _____

Commission File Number: 333-146182

International Surf Resorts, Inc.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

20-5978559
(I.R.S. Employer
Identification No.)

1097 Country Coach Dr., Suite 705, Henderson, Nevada, 89002
(Address of principal executive offices)

(888) 689-0930
(Registrant's Telephone Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicated 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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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

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

As of August 10, 2010, there were 3,769,800 shares of the issuer's \$.001 par value common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)**

FINANCIAL STATEMENTS

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2010 AND 2009
AND FOR THE PERIOD FROM INCEPTION
(DECEMBER 4, 2006) THROUGH JUNE 30, 2010**

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2010	December
	(Unaudited)	31, 2009
Current assets		
Cash	\$ 27,131	\$ 43,055
Prepaid expenses	<u>568</u>	<u>2,568</u>
Total current assets	27,699	45,623
Property and equipment, net of accumulated depreciation	5,428	5,596
Investment in real property	<u>61,335</u>	<u>61,335</u>
Total assets	<u>\$ 94,462</u>	<u>\$ 112,554</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued expenses	\$ 63,400	\$ 58,014
Total current liabilities	63,400	58,014
Stockholders' equity		
Common stock, \$.001 par value; 100,000,000 shares authorized, 3,769,800 shares issued and outstanding as of June 30, 2009 and December 31, 2009	3,770	3,770
Additional paid-in capital	210,130	209,230
Deficit accumulated during the development stage	<u>(179,539)</u>	<u>(155,857)</u>
Total stockholders' equity	34,361	57,143
Noncontrolling interest	(3,299)	(2,603)
Total liabilities and stockholders' equity	<u>\$ 94,462</u>	<u>\$ 112,554</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June		Six Months Ended June 30,		Inception
	30,				(December
	2010	2009	2010	2009	4,
					2006) to
					June 30,
					2010
Net revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses					
Legal and professional fees	18,639	6,061	19,961	21,674	147,341
Dues and fees	-	364	-	1,177	10,270
Rent	1,250	850	2,900	1,300	11,250
General and administrative	912	246	1,574	917	18,149
Total operating expenses	20,801	7,521	24,435	25,068	187,010
Other income (expense), net	22	65	57	128	4,172
Net loss including noncontrolling interest	(20,779)	(7,456)	(24,378)	(24,940)	(182,838)
Less: Net loss attributable to noncontrolling interest	460	169	696	405	3,299
Net income (loss) attributable to ISRI	\$ (20,319)	\$ (7,287)	\$ (23,682)	\$ (24,535)	\$ (179,539)
Net income (loss) per common share – basic and diluted	\$ -	\$ -	\$ -	\$ (0.01)	\$ (.05)
Weighted average of common shares – basic and diluted	3,769,800	3,769,800	3,769,800	3,769,800	3,658,189

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (DECEMBER 4, 2006)
THROUGH JUNE 30, 2010
(UNAUDITED)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Deficit Accumulated During Development Stage</u>	<u>Total Stockholders' Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Balance, December 4, 2006	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock, December 5, 2006	3,000,000	3,000	12,000	-	15,000
Additional paid-in capital in exchange for facilities provided by related party	-	-	150	-	150
Net loss attributable to ISRI	-	-	-	(2,847)	(2,847)
Balance, December 31, 2006	3,000,000	3,000	12,150	(2,847)	12,303
Notes payable conversion, May 3, 2007	240,000	240	59,760	-	60,000
Issuance of common stock, June 30, 2007	529,800	530	131,920	-	132,450
Additional paid-in capital in exchange for facilities provided by related party	-	-	1,800	-	1,800
Net loss attributable to ISRI	-	-	-	(58,723)	(58,723)
Balance, December 31, 2007	3,769,800	3,770	205,630	(61,570)	147,830

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (DECEMBER 4, 2006)
THROUGH JUNE 30, 2010
(UNAUDITED)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Deficit Accumulated During Development Stage</u>	<u>Total Stockholders' Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>			
Additional paid-in capital in exchange for facilities provided by related party	-	\$ -	\$ 1,800	\$ -	\$ 1,800
Net loss attributable to ISRI	-	-	-	(52,917)	(52,917)
Balance, December 31, 2008	3,769,800	3,770	207,430	(114,487)	96,713
Additional paid-in capital in exchange for facilities provided by related party	-	-	1,800	-	1,800
Net loss attributable to ISRI	-	-	-	(41,370)	(41,370)
Balance, December 31, 2009	3,769,800	3,770	209,230	(155,857)	57,143
Additional paid-in capital in exchange for facilities provided by related party	-	-	900	-	900
Net loss attributable to ISRI	-	-	-	(23,682)	(23,682)
Balance, June 30, 2010	<u>3,769,800</u>	<u>\$ 3,770</u>	<u>\$ 210,130</u>	<u>\$ (179,539)</u>	<u>\$ 34,361</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	<u>Six Months Ended June 30,</u>		<u>Inception (December 4, 2006) to June 30, 2010</u>
	<u>2010</u>	<u>2009</u>	
Cash flows from operating activities			
Net loss attributable to ISRI	\$ (23,682)	\$ (24,535)	\$ (179,539)
Adjustments to reconcile net loss attributable to ISRI to net cash provided by (used in) operating activities			
Additional paid-in capital in exchange for facilities provided by related party	900	900	6,450
Depreciation	168	168	784
Changes in operating assets and liabilities			
Increase in prepaid expenses	2,000	(4,420)	(568)
Increase in accounts payable and accrued expenses	5,386	7,651	63,400
Net cash used in operating activities	<u>(15,228)</u>	<u>(20,236)</u>	<u>(109,473)</u>
Cash flows from investing activities			
Purchase of fixed assets	-	(5,200)	(6,212)
Investment in real property	-	-	(61,335)
Noncontrolling interest in subsidiary	(696)	(405)	(3,299)
Net cash used in investing activities	<u>(696)</u>	<u>(5,605)</u>	<u>(70,846)</u>
Cash flows from financing activities			
Proceeds from issuance of common stock	-	-	147,450
Net proceeds/(payments) from stockholder loans	-	-	60,000
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>207,450</u>
Net (decrease) increase in cash	(15,924)	(25,841)	27,131
Cash, beginning of period	43,055	74,588	-
Cash, end of period	<u>\$ 27,131</u>	<u>\$ 48,747</u>	<u>\$ 27,131</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30,		Inception (December 4, 2006) to June 30, 2010
	2010	2009	
Supplemental disclosure of cash flow information			
Income taxes paid	\$ -	\$ -	\$ -
Interest paid	\$ -	\$ -	\$ -
Conversion of notes payable into common stock	\$ -	\$ -	\$ 60,000

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

1. NATURE OF OPERATIONS AND SUMMARY OF ACCOUNTING POLICIES

Organization and Nature of Operations

International Surf Resorts, Inc. (the Company) is currently a development stage company under the provisions of ASC 915, *Development Stage Entities*, and was incorporated under the laws of the State of Nevada on December 4, 2006. From inception (December 4, 2006) through June 30, 2010, the Company has produced no revenues and will continue to report as a development stage company until significant revenues are produced. The Company is an Internet based provider of international surf resorts, camps, and guided surf tours.

In June 2009, we launched a pilot program to determine the feasibility of operating a small surf resort in Bali. As part of the program, the Company purchased a wood house in Bali and leased the land. The land is located very close to a beach which has a very good surf location.

The Company also intends to operate a surf camp in San Juanico, Baja California Sur, Mexico on 2.5 acres of land that it owns there. On February 19, 2007, the Company formed ISR de Mexico, a Mexican corporation, for the purpose of acquiring real estate in Mexico. At June 30, 2010, the Company owned 55% of ISR de Mexico. The remaining 45% interest is owned by related parties.

The Company has evaluated subsequent events through August 10, 2010, the date these consolidated condensed financial statements were issued

Principles of Consolidation

The consolidated financial statements include the accounts of International Surf Resorts, Inc. and its 55% owned subsidiary, ISR de Mexico. All inter-company accounts and transactions have been eliminated in consolidation and minority interests were accounted for in the consolidated statements of operations and the balance sheets.

Interest in Subsidiary

The Company's percentage of controlling interest requires that operations be included in the consolidated financial statements. The percentage of equity interest that is not owned by the Company is shown as "Noncontrolling interest" in the consolidated balance sheets and consolidated statements of operations.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

1. **NATURE OF OPERATIONS AND SUMMARY OF ACCOUNTING POLICIES** (Continued)

Basis of Presentation

The unaudited financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material changes in the information disclosed in the annual report on Form 10-K of International Surf Resorts, Inc. for the period ended December 31, 2009. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three ended March 31, 2010 are not necessarily indicative of the results that may be expected for any other interim period or the entire year. For further information, these unaudited financial statements and the related notes should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2009 included in the Company's annual report on Form 10-K.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Prepaid Expenses

Prepaid expenses consist of rents and stock transfer agent fees for services to be rendered over the one-year period of the contract and are amortized monthly.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

1. **NATURE OF OPERATIONS AND SUMMARY OF ACCOUNTING POLICIES** (Continued)

Property and Equipment

Property and equipment, if any, are stated at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC 360, *Property and Equipment*. ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value. As of June 30, 2010, the Company did not deem any of its long-term assets to be impaired.

Income Taxes

The Company accounts for income taxes under ASC No. 740, *Accounting for Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

1. NATURE OF OPERATIONS AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Basic and Diluted Income (Loss) Per Share

In accordance with ASC No. 260, Earnings Per Share, basic income (loss) per common share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income (loss) per common share is computed similar to basic income per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of December 31, 2009, the Company did not have any equity or debt instruments outstanding that could be converted into common stock.

Recent Accounting Pronouncements

In May 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-19 (ASU 2010-19), Foreign Currency (Topic 830): Foreign Currency Issues: Multiple Foreign Currency Exchange Rates. The amendments in this Update are effective as of the announcement date of March 18, 2010. The Company does not expect the provisions of ASU 2010-19 to have a material effect on the financial position, results of operations or cash flows of the Company.

In April 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-17 (ASU 2010-17), Revenue Recognition-Milestone Method (Topic 605): Milestone Method of Revenue Recognition. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. Early adoption is permitted. If a vendor elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption. The Company does not expect the provisions of ASU 2010-17 to have a material effect on the financial position, results of operations or cash flows of the Company.

There were various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

2. GOING CONCERN

As shown in the accompanying financial statements, the Company has incurred a net operating loss of \$179,539 from inception (December 4, 2006) through June 30, 2010.

The Company is subject to those risks associated with development stage companies. The Company has sustained losses since inception and additional debt or equity financing may be required by the Company to fund its development activities and to support operations. However, there is no assurance that the Company will be able to obtain additional financing. Furthermore, there is no assurance that rapid changes in leisure activities, changing customer needs and evolving environmental standards will enable the Company to provide new services on a continual and timely basis so that profitable operations can be attained.

3. FAIR VALUE MEASUREMENTS

Determination of Fair Value

At June 30, 2010, the Company calculated the fair value of its assets and liabilities for disclosure purposes only.

Valuation Hierarchy

ASC 820 establishes a three-level valuation hierarchy for the use of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

3. FAIR VALUE MEASUREMENTS (Continued)

- Level 3 - Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.)

The Company had no other assets and liabilities measured at fair value on a recurring basis as of June 30, 2010 within the fair value hierarchy other than its financial instruments as noted in the following paragraph.

Fair Value of Financial Instruments

Pursuant to ASC No. 825, "Financial Instruments", the Company is required to estimate the fair value of all financial instruments included on its balance sheet. The carrying value of cash, accounts payable and accrued expenses approximate their fair value due to the short period to maturity of these instruments.

4. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2010 and December 31, 2009, consists of the following:

	June 30, 2010	December 31, 2009
Computer equipment	\$ 1,012	\$ 1,012
Building	\$ 5,200	\$ 5,200
	6,212	6,212
Less: accumulated depreciation	(784)	(616)
Total property and equipment	<u>\$ 5,428</u>	<u>\$ 5,596</u>

Depreciation expense for the three months ended June 30, 2010 and 2009 amounted to \$168 and \$168, respectively.

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2010
(UNAUDITED)

5. INVESTMENT IN REAL PROPERTY

In December 2006, the Company acquired real property in Mexico for \$57,500 to develop and potentially operate as a surf camp. During the year ended December 31, 2007, the Company incurred additional costs of \$3,835 related to the transfer of the property to the Company's 55% owned subsidiary, ISR de Mexico.

6. COMMON STOCK

On December 5, 2006, the Company issued 3,000,000 shares of its common stock to its founders at \$.005 per share for a total of \$15,000.

On May 3, 2007, the Company issued 240,000 shares of its common stock for the conversion of notes payable in the amount of \$60,000.

In June 2007, the Company performed a private placement and issued 529,800 shares of its common stock at \$0.25 per share for a total of \$132,450.

In September 2007, the Company submitted its Registration Statement on Form SB-2 for the registration of 489,800 shares of its outstanding common stock. On October 4, 2007, the Company's registration statement was declared effective by the Securities and Exchange Commission.

7. PROVISION FOR INCOME TAXES

As of June 30, 2010, the Company reported an estimated federal net operating loss carryforward of approximately \$177,000 which can be used to offset future federal income tax. The federal net operating loss carryforward expires in 2030. Deferred tax assets resulting from the net operating losses are reduced by a valuation allowance, when, in the opinion of management, utilization is not reasonably assured.

As of June 30, 2010, the Company had the following deferred tax assets that related to its net operating losses. A 100% valuation allowance has been established; as management believes it more likely than not that the deferred tax assets will not be realized:

Federal loss carryforward (@ 25%)	\$ 44,000
Less: valuation allowance	(44,000)
Net deferred tax asset	<u>\$ -</u>

The Company's valuation allowance increased by approximately \$6,000 during the three months ended June 30, 2010.

8. RELATED PARTY TRANSACTIONS

From the Company's inception (December 4, 2006) through June 30, 2010, the Company utilized office space of a director of the Company at no charge. The Company treated the usage of the office space as additional paid-in capital and charged the estimated fair value rent of \$150 per month to operations. The Company recorded total rent expense of \$900 for each of the six months ended June 30, 2010 and 2009.

Item 2. Plan of Operation

This following information specifies certain forward-looking statements of management of the company. Forward-looking statements are statements that estimate the happening of future events and are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as “may”, “shall”, “could”, “expect”, “estimate”, “anticipate”, “predict”, “probable”, “possible”, “should”, “continue”, or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. We cannot guaranty that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

Critical Accounting Policies and Estimates. Our Management’s Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources.

These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in this Quarterly Report on Form 10-Q for the period ended June 30, 2010.

For the three months ended June 30, 2010 as compared to the three months ended June 30, 2009.

Results of Operations.

Revenues. We had no revenue for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009, during which we also had no revenue.

Operating Expenses and Net Loss. We had total operating expenses of \$20,801 for the three months ended June 30, 2010, as compared to total operating expenses of \$7,521 for the three months ended June 30, 2009. The increase in total operating expenses between the comparable periods is primarily due to an increase in legal and professional fees. Specifically, legal and professional fees increased from \$6,061 for the three months ended June 30, 2009, to \$18,369 for the three months ended June 30, 2010.

Net Loss. For the three months ended June 30, 2010, our net loss was \$20,319 as compared to a net loss of \$7,287 for the three months ended June 30, 2009. The increase in the net loss was due to the increase in legal and professional fees for the three months ended June 30, 2010. We expect to continue to incur net losses for the foreseeable future.

For the six months ended June 30, 2010 as compared to the six months ended June 30, 2009.

Results of Operations.

Revenues. We had no revenue for the six months ended June 30, 2010, as compared to the six months ended June 30, 2009, during which we also had no revenue.

Operating Expenses and Net Loss. We had total operating expenses of \$24,435 for the six months ended June 30, 2010, as compared to total operating expenses of \$25,068 for the six months ended June 30, 2009. The slight decrease in total operating expenses between the comparable periods is primarily due to a decrease in legal and professional fees. Specifically, legal and professional fees decreased from \$21,764 for the six months ended June 30, 2009, to \$19,961 for the six months ended June 30, 2010.

Net Loss. For the six months ended June 30, 2010, our net loss was \$23,682 as compared to a net loss of \$24,940 for the six months ended June 30, 2009. The slight decrease in the net loss was due to the decrease in legal and professional fees for the six months ended June 30, 2010. We expect to continue to incur net losses for the foreseeable future.

Liquidity and Capital Resources. We had cash of \$27,131 and prepaid expenses of \$568 as of June 30, 2010, which together comprises our total current assets of \$27,699. As of June 30, 2010, our investment in real property was \$61,335, which along with \$5,428 in property and equipment, net of accumulated depreciation, equaled our total assets of \$94,462. We expect that we will incur expenses related to professional fees to determine feasibility of potential uses of our property located in San Juanico, Baja California, Mexico and Bali. As of June 30, 2010, our total liabilities were \$63,400, all of which was represented by accounts payable and accrued expenses. We had no long term liabilities, commitments or contingencies.

During 2010, we anticipate that we will continue to incur significant accounting costs associated with the audit and review of our financial statements. We also expect that the legal and accounting costs of being a public company will continue to impact our liquidity and we may need to obtain funds to pay those expenses. Other than the anticipated increases in legal and accounting costs due to the reporting requirements of being a reporting company and those anticipated costs related to our real property as specified above, we are not aware of any other known trends, events or uncertainties, which may affect our future liquidity.

To effectuate our business plan during the next twelve months, we must determine the feasibility of building surf casas, or vacation rentals, for our property located in San Juanico, Baja California, Mexico and Bali. We are currently assessing the feasibility of building surf casas and also the feasibility of sub-dividing our parcel into smaller parcels and selling them as we believe that we can sell the smaller lots at a significant gain on our cost. We also may build on the subdivided lots and offer the surf casas for sale as a finished product. In order to properly determine the feasibility of those projects, our president Eduardo Biancardi intends to travel to the property and visit the property for a period of time. We also intend to look for opportunities to work with other companies that will assist us in our development of the property. In addition, during the next twelve months, we must continue to develop our website and begin to attract customers.

During the next three to six months, our primary objective is to complete our assessment of the opportunities for the property located in San Juanico, Baja California, Mexico, and complete development of our website. During the next six to twelve months, we hope to raise additional funds so that we can expand our product offerings and begin generating revenues. We believe that we will need to spend approximately \$5,000 to complete the development of website. In order to market and promote our services and develop our property in San Juanico, Baja California, Mexico, we will need to raise additional capital. Our failure to market and promote our services will hinder our ability to increase the size of our operations and generate revenues. If we are not able to generate additional revenues that cover our estimated operating costs, our business may ultimately fail.

In June 2009, we launched a pilot program to determine the feasibility of operating a small surf resort in Bali. As part of the program, we purchased a wood house in Bali for \$5,200 and leased the land where the house is located for \$400 per month. The land is located very close to a beach which has a very good surf break. Our president is currently living in Bali and is responsible to sanding and re-finishing the house to make it suitable for living. Our president believes that we can purchase several wood houses at prices comparable to the price we paid for the initial house. During the next twelve months, we plan to assess the feasibility of leasing a large plot of land near the break which would be suitable for multiple houses. In order to purchase those additional houses and operate a small surf resort in this area, we will need to raise additional capital.

To date, we have experienced significant difficulties in raising additional capital. We believe our inability to raise significant additional capital through debt or equity financings is due to various factors, including, but not limited to, a tightening in the equity and credit markets. We had hoped to expand our operations during the last six months. However, our ability to commence and expand operations has been negatively affected by our inability to raise significant capital and our inability to generate significant revenues.

We had cash of \$27,131 as of June 30, 2010. In the opinion of management, available funds will satisfy our working capital requirements for the next twelve months. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could fail as a result of a number of factors. In the event that we experience a shortfall in our capital, we intend to pursue capital through public or private financing as well as borrowings and other sources, such as our officers, director and principal shareholders. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available, we hope that our officers, director and principal shareholders will contribute funds to pay for our expenses to achieve our objectives over the next twelve months. However, our officers, director and principal shareholders are not committed to contribute funds to pay for our expenses.

We are not currently conducting any research and development activities other than the development of our website which we expect the total cost to be approximately \$5,000. We do not anticipate that we will purchase or sell any significant equipment. In the event that we generate significant revenues and expand our operations, then we may need to hire additional employees or independent contractors as well as purchase or lease additional equipment.

Off-Balance Sheet Arrangements. We have no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We maintain controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed as of June 30, 2010, the date of this report, our chief executive officer and the principal financial officer concluded that our disclosure controls and procedures were effective.

Item 4(T). Controls and Procedures.

Changes in internal controls. There were no changes in our internal control over financial reporting that occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

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| 31 | Certification of Principal Executive and Financial Officer, Required By Rule 13a-14(A) of the Securities Exchange Act of 1934, As Amended, As Adopted Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32 | Certification of Principal Executive and Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**International Surf Resorts, Inc.,
a Nevada corporation**

August 11, 2010

By: /s/ Eduardo Biancardi

Eduardo Biancardi
Chief Executive Officer,
Chief Financial Officer,
Secretary, Director
(Principal, Executive, Financial and Accounting Officer)

Exhibit 31

**Certification of Principal Executive and Financial Officer,
Required By Rule 13a-14(A) of the Securities Exchange Act of 1934, As Amended,
As Adopted Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002**

I, Eduardo Biancardi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of International Surf Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2010

/s/ Eduardo Biancardi

Eduardo Biancardi

Chief Executive Officer, Chief Financial Officer

Exhibit 32

**Certification of Principal Executive and Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of International Surf Resorts, Inc. a Nevada corporation (the "Company") on Form 10-Q for the period ending June 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Eduardo Biancardi, Chief Executive Officer and Chief Financial Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to International Surf Resorts, Inc., and will be retained by International Surf Resorts, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Eduardo Biancardi
Eduardo Biancardi
Chief Executive Officer,
Chief Financial Officer
August 11, 2010