

PARKS AMERICA, INC  
Form 10-Q  
August 10, 2016

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

**Form 10-Q**

(Mark One)

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

**For the quarterly period ended July 3, 2016**

**OR**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**COMMISSION FILE NUMBER 000-51254**

**Parks! America, Inc.**

(Exact Name of small business issuer as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)

**91-0626756**  
(I.R.S. Employer  
Identification No.)

**1300 Oak Grove Road**  
**Pine Mountain, GA 31822**

(Address of principal executive offices) (Zip Code)

Issuer's telephone Number: **(706) 663-8744**

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 ☒ . 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 (§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 definition of *large accelerated filer* , *accelerated filer* and *smaller reporting company* in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a 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 8, 2016, the issuer had 74,531,537 outstanding shares of Common Stock.



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**PARKS! AMERICA, INC. and SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

As of July 3, 2016 and September 27, 2015

	July 3, 2016	September 27, 2015
<b>ASSETS</b>		
Cash unrestricted	\$ 1,191,745	\$ 563,096
Cash restricted (Note 3)	456,492	456,492
Inventory	135,424	139,324
Prepaid expenses	41,755	87,633
Total current assets	1,825,416	1,246,545
Property and equipment, net	6,378,210	6,362,790
Intangible assets, net	154,054	158,661
Other assets	8,500	8,500
Total assets	\$ 8,366,180	\$ 7,776,496
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable	\$ 109,310	\$ 141,404
Other current liabilities	296,528	247,449
Accrued judgment under appeal (Note 9)	304,328	304,328
Current maturities of long-term debt	113,588	108,762
Total current liabilities	823,754	801,943
Long-term debt	3,280,196	3,374,406
Total liabilities	4,103,950	4,176,349
<b>Stockholders equity</b>		
Common stock; 300,000,000 shares authorized,		
at \$.001 par value; 74,531,537 and 74,381,537		
shares issued and outstanding, respectively	74,531	74,381
Capital in excess of par	4,809,606	4,801,506
Treasury stock	(3,250)	(3,250)
Accumulated deficit	(618,657)	(1,272,490)
Total stockholders equity	4,262,230	3,600,147
Total liabilities and stockholders equity	\$ 8,366,180	\$ 7,776,496

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

**PARKS! AMERICA, INC. and SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

For the Three Months and Nine Months Ended July 3, 2016 and June 28, 2015

	For the three months ended		For the nine months ended	
	July 3, 2016	June 28, 2015	July 3, 2016	June 28, 2015
Net sales	\$ 1,819,140	\$ 1,618,126	\$ 3,459,277	\$ 2,823,101
Sale of animals	-	1,625	16,327	25,692
<b>Total net sales</b>	<b>1,819,140</b>	<b>1,619,751</b>	<b>3,475,604</b>	<b>2,848,793</b>
Cost of sales	182,141	157,121	390,078	323,155
Selling, general and administrative	717,261	758,292	1,960,395	1,899,230
Depreciation and amortization	85,200	81,250	255,800	243,750
(Gain) loss on disposal of operating assets, net	2,623	(7,344)	2,623	(7,344)
<b>Income from operations</b>	<b>831,915</b>	<b>630,432</b>	<b>866,708</b>	<b>390,002</b>
Other income (expense), net	1,978	2,541	6,000	5,978
Interest expense	(49,542)	(56,096)	(155,569)	(166,083)
Amortization of loan fees	(2,602)	(2,602)	(7,806)	(7,806)
<b>Income before income taxes</b>	<b>781,749</b>	<b>574,275</b>	<b>709,333</b>	<b>222,091</b>
Income tax provision	50,100	22,000	55,500	22,000
<b>Net income</b>	<b>\$ 731,649</b>	<b>\$ 552,275</b>	<b>\$ 653,833</b>	<b>\$ 200,091</b>
<b>Income per share - basic and diluted</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.00</b>
<b>Weighted average shares outstanding (in 000's) - basic and diluted</b>	<b>74,531</b>	<b>74,381</b>	<b>74,488</b>	<b>74,314</b>



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

**PARKS! AMERICA, INC. and SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)**

For the Nine Months Ended July 3, 2016 and Year Ended September 27, 2015

	Shares	Amount	Capital in Excess of Par	Treasury Stock	Accumulated Deficit	Total
Balance at September 28, 2014	74,231,537	\$ 74,231	\$ 4,797,006	\$(3,250)	\$(1,897,089)	\$2,970,898
Issuance of common stock to Directors	150,000	150	4,500	-	-	4,650
Net income for the year ended September 27, 2015	-	-	-	-	624,599	624,599
Balance at September 27, 2015	74,381,537	74,381	4,801,506	(3,250)	(1,272,490)	3,600,147
Issuance of common stock to Directors	150,000	150	8,100	-	-	8,250
Net income for the nine months ended July 3, 2016	-	-	-	-	653,833	653,833
Balance at July 3, 2016	74,531,537	\$ 74,531	\$ 4,809,606	\$(3,250)	\$ (618,657)	\$4,262,230

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



**PARKS! AMERICA, INC. and SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

For the Nine Months Ended July 3, 2016 and June 28, 2015

	For the nine months ended	
	July 3, 2016	June 28, 2015
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 653,833	\$ 200,091
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization expense	255,800	243,750
Amortization of loan fees	7,806	7,806
(Gain) loss on disposal of assets	2,623	(7,344)
Stock-based compensation	8,250	4,650
Changes in assets and liabilities		
(Increase) decrease in inventory	3,900	(42,300)
(Increase) decrease in prepaid expenses	45,878	35,076
Increase (decrease) in accounts payable	(32,094)	(14,136)
Increase (decrease) in other current liabilities	49,079	74,643
Net cash provided by operating activities	995,075	502,236
<b>INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(277,042)	(419,765)
Proceeds from the disposition of property and equipment	-	7,344
(Increase) decrease in restricted cash	-	(456,492)
Net cash used in investing activities	(277,042)	(868,913)
<b>FINANCING ACTIVITIES:</b>		
Proceeds from lines of credit and related party borrowings	220,000	550,000
Repayment of lines of credit and related party borrowings	(220,000)	(525,000)
Payments on notes payable	(89,384)	(68,670)
Net cash used in financing activities	(89,384)	(43,670)
Net increase (decrease) in cash	628,649	(410,347)
Cash at beginning of period	563,096	661,842
Cash at end of period	\$ 1,191,745	\$ 251,495
<b>Supplemental Cash Flow Information:</b>		
Cash paid for interest	\$ 150,220	\$ 164,899
Cash paid for income taxes	\$ 76,525	\$ 11,159

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

**PARKS! AMERICA, INC. and SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

July 3, 2016

**NOTE 1. ORGANIZATION**

Parks! America, Inc. ( Parks! or the Company ) was originally incorporated on July 30, 1954 as Painted Desert Uranium & Oil Co., Inc. in Washington State. On October 1, 2002, Painted Desert Uranium & Oil Co., Inc. changed its name to Royal Pacific Resources, Inc. and its corporate domicile to the State of Nevada.

On December 19, 2003, Royal Pacific Resources, Inc. acquired the assets of Great Western Parks LLC pursuant to a Share Exchange Agreement that resulted in the Company assuming control and changing the corporate name to Great American Family Parks, Inc. The acquisition was accounted for as a reverse acquisition in which Great Western Parks was considered to be the acquirer of Royal Pacific Resources for reporting purposes. On June 11, 2008, the Company changed its name from Great American Family Parks, Inc. to Parks! America, Inc.

The Company owns and operates through wholly owned subsidiaries two regional theme parks and is in the business of acquiring, developing and operating local and regional theme parks and attractions in the United States. The Company's wholly owned subsidiaries are Wild Animal Safari, Inc., a Georgia corporation ( Wild Animal Georgia ) and Wild Animal, Inc., a Missouri corporation ( Wild Animal Missouri ). Wild Animal Georgia owns and operates the Wild Animal Safari theme park in Pine Mountain, Georgia (the Georgia Park ). Wild Animal Missouri owns and operates the Wild Animal Safari theme park located in Strafford, Missouri (the Missouri Park ). The Company acquired the Georgia Park on June 13, 2005, and the Missouri Park on March 5, 2008.

The Parks are open year round but experience increased seasonal attendance during the months of April through August. On a combined basis, net sales for the third and fourth quarter of the last two fiscal years represented approximately 72% of annual net sales.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:** The Company's unaudited consolidated financial statements for the three months and nine months ended July 3, 2016 and June 28, 2015 are presented in accordance with accounting principles generally accepted in the United States of America ( GAAP ). The Company believes that the disclosures made are adequate to

make the information presented not misleading. The information reflects all adjustments that, in the opinion of management, are necessary for a fair presentation of the financial position and results of operations for the periods set forth herein. In the opinion of management interim results reflect all normal and recurring adjustments, and are not necessarily indicative of the results for a full fiscal year.

These unaudited consolidated financial statements should be read in conjunction with audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 27, 2015.

***Principles of Consolidation:*** The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (Wild Animal Georgia and Wild Animal Missouri). All material inter-compan