PARKS AMERICA, INC
Form 10-Q/A
July 02, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

(Amendment No. 1)

(Mark One)

X .

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

For the quarterly period ended December 30, 2012

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	**91-0626756**
(State or other jurisdiction of incorporation or organization)	(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 X . No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date 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 X .

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):

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes . No X .

As of February 1, 2013, the issuer had 74,106,537 outstanding shares of Common Stock.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (this Amendment or the Form 10-Q/A) amends the Quarterly Report on Form 10-Q of Parks! America, Inc. (Parks or the Company) for the quarter ended December 30, 2012 (the Original Filing), as initially filed with the Securities and Exchange Commission (SEC) on February 6, 2013. In our financial statements up to and including the financial statements contained in our annual report on Form 10-K for the year ended September 30, 2012 (the 2012 10-K), we included segment data regarding the operations of our two wholly owned subsidiaries: (i) Wild Animal Safari, Inc., a Georgia corporation that owns and operates the Wild Animal Safari theme park in Pine Mountain, Georgia, and (ii) Wild Animal, Inc., a Missouri corporation that owns and operates the Wild Animal Safari theme park located in Strafford, Missouri. Following a refinancing of the Company s mortgage debt, we formed the view that segment reporting was not material to our financial presentation. Consequently, we omitted the segment reporting footnote in our quarterly report on Form 10-Q for the quarter ended December 30, 2012. As part of ongoing evaluation of our disclosure controls and procedures, and in connection with responding to SEC comments, the Company has decided to reverse this decision. No other adjustments will be made to those financial statements other than to add the segment reporting data as described herein. This Amendment also includes additional disclosure related to segment reporting in Part I, Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations. The addition of this data did not have any impact on the reported results of operations of the Company or on its comparative balance sheets for such periods.

This Amendment is being filed solely for the purpose of including the segment reporting information as discussed above. Other than the change to the presentation of our results as discussed above, and to address in Part I, Item 4: Controls and Procedures the impact of the need for this change on our management s assessment of our disclosure controls and procedures, no other changes have been made to the Original Filing. This Amendment does not purport to provide an update or discussion of any other developments subsequent to the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing.

PARKS! AMERICA, INC and SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

PARKS! AMERICA, INC and SUBSIDIARIES

TABLE OF CONTENTS

Page

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As of December 30, 2012 and September 30, 2012

ASSETS	**December 30, 2012**	**September 30, 2012**
Current Assets		
Cash unrestricted	$ 111,974	$ 147,962
Inventory	147,701	147,792
Prepaid expenses	44,859	44,808
Total Current Assets	304,534	340,562
Property and Equipment, net	6,164,319	6,196,845
Other Assets		
Intangible assets, net	31,448	5,097
Deposits	8,500	8,500
Total Other Assets	39,948	13,597
TOTAL ASSETS	$ 6,508,801	$ 6,551,004
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	$ 104,811	$ 134,758
Accrued expenses	62,616	113,854
Notes payable lines of credit	319,397	0
Current maturities of long term debt	1,738,793	1,773,935
Total Current Liabilities	2,225,617	2,022,547
Long-term Debt		
Long term obligations	1,711,165	1,745,503
TOTAL LIABILITIES	3,936,782	3,768,050
STOCKHOLDERS EQUITY		
Common stock; 300,000,000 shares authorized, at $.001 par value;74,106,537 and 73,956,537 shares issued and outstanding, respectively	74,106	73,956
Capital in excess of par	4,794,006	4,792,656
Treasury stock	(3,250)	(3,250)
Accumulated deficit	(2,292,843)	(2,080,408)
TOTAL STOCKHOLDERS EQUITY	2,572,019	2,782,954
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 6,508,801	$ 6,551,004

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 Ended December 30, 2012 and January 1, 2012

	For 3 Months Ended			
	Dec 30, 2012		Jan 1, 2012	
NET SALES	$	577,425	$	514,725
Sale of animals		0		225
TOTAL NET SALES		577,425		514,950
OPERATING EXPENSES				
Cost of sales		77,506		74,041
Selling, general and administrative		601,014		490,441
Depreciation & amortization		73,822		77,556
(Gain) loss on disposal of operating assets		(11,160)		0
Total Operating Expenses		741,182		642,038
LOSS FROM OPERATIONS		(163,757)		(127,088)
OTHER INCOME (EXPENSES)				
Other income (expense)		6,169		4,548
Interest expense		(54,847)		(57,693)
Total Other Income (Expenses)		(48,678)		(53,145)
LOSS BEFORE INCOME TAXES		(212,435)		(180,233)
PROVISION FOR TAXES		0		0
NET LOSS	$	(212,435)	$	(180,233)
WEIGHTED OUTSTANDING SHARES (in 000's)		74,107		73,830
NET LOSS PER SHARE / FULLY DILUTED SHARE	$	(0.00)	$	(0.00)

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)

As of December 30, 2012

	Common Stock		Additional Paid in	Treasury	Accumulated	
	Shares	Amount	Capital	Stock	Deficit	Total
Balance at October 2, 2011	73,781,537	$ 73,781	$ 4,791,081	$ (3,250)	$ (2,376,260)	$ 2,485,352
Issuance of common stock to directors and officers	175,000	175	1,575	0	0	1,750
Net Income for the Year Ended September 30, 2012	0	0	0	0	295,852	295,852
Balance at September 30, 2012	73,956,537	73,956	4,792,656	(3,250)	(2,080,408)	2,782,954
Issuance of common stock to directors and officers	150,000	150	1,350	0	0	1,500
Net Loss for the Period Ended December 30, 2012	0	0	0	0	(212,435)	(212,435)
Balance at December 30, 2012	74,106,537	$ 74,106	$ 4,794,006	$ (3,250)	$ (2,292,843)	$ 2,572,019

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

6

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Three Months Ended December 30, 2012 and January 1, 2012

		December 30, 2012		January 1, 2012
Cash Flows From Operating Activities:				
Net loss for the period	$	(212,435)	$	(180,233)
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:				
Depreciation expense and amortization		73,822		77,556
(Gain) loss on disposal of assets		(11,160)		0
Share-based compensation				1,750
Changes in Assets and Liabilities				
Decrease in inventory		91		3,000
(Increase) decrease in prepaid expenses		(51)		7,527
Decrease in accounts receivable		0		18,143
(Decrease) in accrued expenses		(49,738)		(79,490)
(Decrease) in accounts payable		(29,947)		(65,756)
Net Cash Used In Operating Activities		(229,418)		(217,503)
Cash Flows from Investing Activities:				
Proceeds from disposal of assets		21,243		0
Capitalization of refinancing fees		(26,562)		0
Acquisition of property and equipment		(51,168)		(10,929)
Net Cash (Used In) Investing Activities		(56,487)		(10,929)
Cash Flows from Financing Activities:				
Proceeds (payments) on lines of credit		319,397		284,000
Payments on note payable		(69,480)		(55,473)
Net Cash Provided By Financing Activities		249,917		228,527
Net Increase (Decrease) in Cash		(35,988)		95
Cash at beginning of period		147,962		41,097
Cash at end of period	$	111,974	$	41,192
Supplemental Cash Flow Information:				
Cash paid for interest	$	59,445	$	68,635
Cash paid for income taxes	$	0	$	0

Non-Cash Investing and Financing Information:				
Stock issued to satisfy accrued expenses	$	1,500	$	0

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

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

1. ORGANIZATION

Parks! America (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, including the Crossroads Convenience Center LLC., pursuant to a Share Exchange Agreement that resulted in our 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. Our common stock outstanding increased from 2,533,000 to 29,600,000 as a result of the acquisition. 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. Our wholly-owned subsidiaries are Wild Animal, Inc., a Missouri corporation (Wild Animal - Missouri) and Wild Animal Safari, Inc. a Georgia corporation (Wild Animal - Georgia). 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 Parks are open year round but experience increased seasonal attendance during the months of April through August.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include accidents occurring at our parks, competition from other parks, weather conditions during our primary tourist season, the price of animal feed, the price of gasoline, changes in consumer spending patterns and general economic conditions.

On June 13, 2005, the Company acquired the Georgia Park and on March 5, 2008, the Company acquired the Missouri Park.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. We believe that the disclosures are adequate to make the financial information presented not misleading. These condensed financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended September 30, 2012. All adjustments were of a normal recurring nature unless otherwise disclosed. In the opinion of management, all adjustments necessary for a fair statement of the results of operations for the interim period have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

Accounting Method: The Company recognizes income and expenses based on the accrual method of accounting.

Reclassifications: Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the current period financial statements.

Basic and Diluted Net Income (loss) Per Share: Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise any common share rights unless the exercise becomes anti-dilutive and then only the basic per share amounts are shown in the report.

Basic and diluted net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding in each period.

Dividend Policy: The Company has not yet adopted a policy regarding payment of dividends.

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

Trade Accounts Receivable: The theme parks are a cash business therefore there are typically no receivables on the books of the Company. As of December 30, 2012 and September 30, 2012, respectively, the Company had no outstanding receivables.

Revenue Recognition: The major source of income is received from theme park admissions. Theme park revenues from admission fees are recognized upon receipt of the cash at the time of our customers visit to the parks. No theme park ticket sales are made in advance. Short term seasonal passes are sold primarily during the summer seasons and are negligible to our results of operations and are not material. The Company is currently developing a new product line of selling surplus animals created from the natural breeding process that occurs within the parks. All sales will be reported as a separate line item.

Advertising and Market Development: The Company expenses advertising and marketing costs as incurred.

Income Taxes: The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws is recorded, when it is more likely than not, that such tax benefits will not be realized.

Financial and Concentrations Risk: The Company does not have any concentration or related financial credit risks except for. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries (Wild Animal-Georgia and Wild Animal-Missouri). All material inter-company accounts and transactions have been eliminated in consolidation.

Fiscal Year End: During 2011, the Company changed its fiscal year-end from December 31 to September 30, and changed its quarterly close dates to the last Sunday that falls at the end of each reporting period. For the quarter ended December 31, 2012 the Sunday closest to the end of the reporting period was December 30, 2012. This decision was made to align the Company s fiscal periods more closely with the seasonality of its business. The high season typically ends after the Labor Day holiday weekend. The period from October through early March is geared towards maintenance and preparation for the next busy season which typically begins at Spring Break and runs through Labor Day.

Property and Equipment: Property and equipment are stated at cost. Depreciation is computed on the straight line method over the estimated useful lives of the assets, which range from five to thirty nine years. A summary is included below.

	December 30, 2012	September 30, 2012	Depreciable Lives
Land	$ 2,507,180	$ 2,507,180	none
Buildings	2,972,368	2,952,983	40 years
Facilities and Improvements & Equipment	767,644	754,312	5 - 15 years
Furniture & Fixtures	75,189	75,189	7 years
Ground Improvements	751,149	751,149	15 years
Park animals	594,258	589,234	5 - 10 years
Rides & entertainment	22,000	22,000	7 years
Vehicles	272,620	291,429	5 years
Sub-total	7,962,408	7,943,476	
Accumulated Depreciation	(1,798,089)	(1,746,631)	
Total Net Assets	$ 6,164,319	$ 6,196,845	

Inventory: Inventory consists of park supplies, and is stated at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventories are reviewed and reconciled annually, because inventory levels turn over rapidly.

Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

Other Intangible assets: Other intangible assets include franchising fees, loan fees, payroll software, and they are reported at cost. Franchising and loan fees are amortized over a period of 60 months and payroll software over a period of 36 months. The Company made initial payments of $4,250 in September 2012 and additional payments of $26,562 during the three months ended December 30, 2012 towards its refinancing of all outstanding debt. See Footnote 10 - SUBSEQUENT EVENTS for more information.

Impairment of Long-Lived Assets: The Company reviews its major assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is considered impaired, then impairment will be recognized in an amount determined by the excess of the carrying amount of the asset over its fair value.

Financial Instruments: The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short-term maturities. Securities that are publicly traded are valued at their fair market value based as of the balance sheet date presented.

Uncertainties: The accompanying financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern during the next twelve months depends on the ability of the Company to generate revenues from operations, to maintain its existing sources of capital and to obtain refinancing on existing debt maturities or obtain new sources of financing sufficient to sustain operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Stock Based Compensation: Prior to January 1, 2006 the company accounted for stock based compensation under recognition and measurement principles of ASC 718 and as permitted under APB Opinion No. 25, and related interpretations. Effective January 1, 2006 the company adopted ASC 718 using the modified prospective method which recognizes compensation costs on a straight-line basis over the requisite service period of the ASC 718 requires that cash flows resulting from tax deductions in excess of the cumulative compensation cost recognized for options exercised be classified as cash inflows from financing activities and cash outflows from operating activities. The company also applies ASC 718 and EITF No. 96-18 stock based compensation to non-employees. No activity has occurred in relation to stock options during any period presented. The Company awards shares to its Board of Directors for service on the Board. The shares issued to the Board are restricted and are not to be re-sold unless an exemption is available, such as the exemption afforded by Rule 144 promulgated under the Securities Act of 1933, as amended (the Securities Act). The Company recognizes the expense based on the fair market value at time of the grant. Directors are granted 25,000 shares a year for each year of service in December.

Recent Accounting Pronouncements: In May 2009, the FASB issued ASC 855-10 entitled Subsequent Events . Companies are now required to disclose the date through which subsequent events have been evaluated by management. Public entities (as defined) must conduct the evaluation as of the date the financial statements are issued, and provide disclosure that such date was used for this evaluation. ASC 855-10 provides that financial statements are considered issued when they are widely distributed for general use and reliance in a form and format that complies with GAAP. ASC 855-10 is effective for interim and annual periods ending after June 15, 2009 and must be applied prospectively. The adoption of ASC 855-10 during the quarter ended September 30, 2009 did not have a significant effect on the Company s financial statements as of that date or for the quarter or year-to-date period then ended.

In June 2009, the FASB issued ASC 105-10, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. ASC 105-10 establishes the Codification as the sole source of authoritative accounting principles recognized by the FASB to be applied by all nongovernmental entities in the preparation of financial statements in conformity with GAAP. ASC 105-10 was prospectively effective for financial statements issued for fiscal years ending on or after September 15, 2009 and interim periods within those fiscal years. The Codification did not change GAAP, however, it did change the way GAAP is organized and presented.

As a result, these changes impact how companies reference GAAP in their financial statements and in their significant accounting policies. The Company implemented the Codification in this Report by providing references to the Codification topics alongside references to the corresponding standards. With the exception of the pronouncements noted above, no other accounting standards or interpretations issued or recently adopted are expected to have a material impact on the Company s financial position, operations or cash flows.

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

3. LONG-TERM DEBT

On March 10, 2011, the Company refinanced its Georgia Park mortgage with Commercial Bank and Trust, a division of Synovus Bank (the New Loan). The New Loan was guaranteed by the Company, bears interest at a rate of 6.5% per annum, is payable in monthly payments of $18,049 based on a fourteen year amortization and has a maturity date of May 10, 2014. It required a loan fee of $2,500. The new loan is secured by the Georgia Park land, buildings and improvements and most of the Park s assets.

Subsequent to the period covered by this report, on January 9, 2013 the Company completed a refinancing transaction (the Refinancing Loan) with Commercial Bank & Trust Co. as lender in the principal amount of $3,752,000. For more information regarding the Refinancing Loan see Note 10 - SUBSEQUENT EVENTS herein.

	December 30, 2012	September 30, 2012
The Commercial Bank and Trust of Troup County original loan was repaid in monthly installments of $19,250 based on a twenty year amortization schedule. The interest rate on the original loan was 7.75% for the first five years. The original loan matured on November 17, 2010, but terms continued on a month to month basis until March 2011. The new note requires monthly payments of $18,048.55 based on a 14 year amortization. The loan has a fixed interest rate of 6.5%, and a balloon payment due in June 2014. The loan is secured by a first priority security agreement and a first priority security deed on the assets of the Georgia Park.	$ 1,808,940	$ 1,843,278
In addition, Wild Animal Safari, Inc. maintains several lines of credit loans from Commercial Bank & Trust Company of Troup County (CB&T) for working capital purposes which total $600,000. These lines of credit (LOCs) are renewable annually, subject to the satisfactory performance by the Georgia Park assets. The LOCs were not used as of September 30, 2012 and were drawn down to $319,397 as of December 30, 2012, respectively. All advances are recorded as current liabilities. The LOC interest rates are tied to prime but have a minimum rate of 6% for $350,000 and 5.5% for the remaining balance		

of $250,000.				
On March 5, 2008 the Company s wholly owned subsidiary Wild Animal, Inc. issued a note payable to Oak Oak, Inc. in the amount of $1,750,000 for debt incurred in the purchase of the Wild Animal theme park. The note bears interest at 8% and is payable in 36 monthly installments of $12,841, and a final balloon payment at the end of the 3rd year. In March, 2011Wild Animal, Inc. made an additional one-time lump sum payment of $50,000 that allowed it to extend the loan for an additional 2 years on the same terms. The note was extended and has a final balloon payment due in full on the 60th payment in March 2013.		1,611,408		1,617,622
On March 5, 2008 the Company obtained a loan from Commercial Bank & Trust in the amount of $500,000 to improve and upgrade facilities of the Missouri Park. This loan bears interest at a rate of 7.25% and is payable in 60 monthly payments of $9,986.		29,610		58,538
Total Debt		3,449,958		3,519,438
Less current portion of long-term debt		(1,738,793)		(1,773,935)
Long-term Debt	$	1,711,165	$	1,745,503

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 30, 2012

At December 30, 2012 the scheduled future principal maturities for all notes are as follows:

Period Ending 12/30/2012	
2012	$