

PARKS AMERICA, INC
Form 10-K
December 14, 2018

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

FORM 10-K

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

For the fiscal year ended September 30, 2018

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

Commission file number: 000-51254

PARKS! AMERICA, INC.

(Exact name of registrant as specified on its charter)

NEVADA **91-0626756**
State or other jurisdiction of incorporation or organization (I.R.S. Employer Identification Number)

1300 Oak Grove Road
Pine Mountain, GA 31822
(Address, Including Zip Code of Principal Executive Offices)

(706-663-8744)

Edgar Filing: PARKS AMERICA, INC - Form 10-K

(Issuer's telephone number)

With copies to:

Jonathan H. Gardner

Kavinoky Cook LLP

726 Exchange St., Suite 800

Buffalo, New York 14210

Securities registered under Section 12(b) of the Exchange Act:

NONE

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value \$0.0001 per share

(Title of class)

Indicate by check mark whether the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [] No [X]

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.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

The aggregate market value of the issued and outstanding stock held by non-affiliates of the registrant of the Company's common stock as of March 31, 2018 (the last day of the most recently completed second quarter), was approximately \$5,949,000. For purposes of the above statement only, all directors, executive officers and 10% stockholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

As of December 7, 2018, the issuer had 74,721,537 outstanding shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE – None

FORM 10-K

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

INDEX

	Page
PART I	
Item 1 Business	5
Item 1A Risk Factors	6
Item 1B Unresolved Staff Comments	9
Item 2 Properties	9
Item 3 Legal Proceedings	10
Item 4 Mine Safety Disclosures	10
PART II	
Item 5 Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	11
Item 6 Selected Financial Data	11
Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations	11
Item 7A Quantitative and Qualitative Disclosures About Market Risk	18
Item 8 Financial Statements and Supplementary Data	18
Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	18
Item 9A Controls and Procedures	18
Item 9B Other Information	19
PART III	
Item 10 Directors, Executive Officers, and Corporate Governance	19
Item 11 Executive Compensation	22
Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	24
Item 13 Certain Relationships and Related Transactions, and Director Independence	25
Item 14 Principal Accountant Fees and Services	25
PART IV	
Item 15 Exhibits and Financial Statement Schedules	26

Signatures

27

3

FORWARD-LOOKING STATEMENTS

In this Annual Report on Form 10-K, references to “Parks! America, Inc.,” “Parks! America,” “the Company,” “we,” “us,” and “our” refer to Parks! America, Inc. and our wholly owned subsidiaries.

Except for the historical information contained herein, this Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve risks and uncertainties. These statements are found in the sections entitled “BUSINESS,” “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION,” and “RISK FACTORS.” Such forward-looking statements involve risks and uncertainties, including, among other things, statements concerning: our business strategy; liquidity and capital expenditures; future sources of revenues and anticipated costs and expenses; and trends in industry activity generally. Such forward-looking statements include, among others, those statements including the words such as “may,” “will,” “should,” “expect,” “plan,” “could,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “continue” or similar language or by discussions of our outlook, plans, goals, strategy or intentions.

Our actual results may differ significantly from those projected in the forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the risks outlined under “RISK FACTORS”, that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. For example, assumptions that could cause actual results to vary materially from future results include, but are not limited to: competition from other parks which we believe is increasing, weather conditions during our primary tourist season, the price of animal feed and the price of gasoline. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, we cannot guarantee future results, levels of activity, performance or achievements.

The forward-looking statements we make in this Annual Report on Form 10-K are based on management’s current views and assumptions regarding future events and speak only as of the date of this report. We assume no obligation to update any of these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements, except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission (“SEC”).

PART I

ITEM 1. BUSINESS

Overview

Parks! America, Inc., through our wholly owned subsidiaries, owns and operates 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 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”).

Our Parks are open year round but experience increased seasonal attendance, typically beginning in the latter half of March through early September. On a combined basis, net sales for the third and fourth quarter of our last two fiscal years represented approximately 64% to 68% of annual net sales.

Our business plan includes expansion via the acquisition of additional local or regional theme parks and attractions, if attractive opportunities arise. However, we have not made an acquisition since 2008 and there can be no assurance that we will be successful in acquiring and operating additional local or regional theme parks and attractions. We believe acquisitions, if any, should not unnecessarily encumber the Company with additional debt that cannot be justified by current operations. We may also pursue contract management opportunities for themed attractions owned by third parties. By using a combination of equity, debt and other financing options, we intend to carefully monitor stockholder value in conjunction with the pursuit of growth.

Shares of our common stock trade on the OTC Markets Group OTCPink marketplace (“OTCPink”) under the symbol, “PRKA.”

For an overview of our business operations, see MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS herein.

Corporate History

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 set the stage for our current corporate structure and operating strategy. We changed the name of the Company 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. As of June 11, 2008, the Company changed its name from Great American Family Parks, Inc. to its current name, Parks! America, Inc. In addition, effective June 25, 2008, the Company’s quotation symbol on the OTCPink was changed from GFAM to PRKA.

Wild Animal Safari, Inc. – Our Georgia Park

On June 13, 2005, Wild Animal – Georgia acquired our Georgia Park in Pine Mountain, Georgia. Our Georgia Park is situated within a 200-acre portion of a 500-acre plot, which is owned by Wild Animal – Georgia, located approximately 75 miles southwest of Atlanta. Our Georgia Park includes a drive-through animal viewing area that opened in 1991. It is home to over 500 animals, birds and reptiles, comprised of over 65 species. The majority of the animals roam wild in a natural habitat. Visitors are able to observe, photograph and feed the animals along the more than three miles of paved roads that run throughout the drive-through section of our Georgia Parks’ natural habitat area. Some animals are contained in special fenced-in areas within the natural habitat, drive-through section of our Georgia Park and others are located in a more traditional zoo-like atmosphere. Also within our Georgia Park is our reptile house, located next to our petting zoo, featuring reptiles from several continents.

In addition to the animal environments, our Georgia Park contains a gift shop, a restaurant and ice cream parlor, an arcade, a picnic area, lakes and a pavilion. We sell food and beverages in our restaurant, and gift items from the gift shop, including shirts and hats, specialty items, educational books and toys about animals of the world and other toys.

Wild Animal – Georgia’s revenues are primarily derived from admission fees, food and beverage sales, gift shop and specialty item sales, sales of animal food and vehicle rentals at our Georgia Park. Management’s plans to grow revenues at our Georgia Park include ongoing improvements to existing facilities, making the Park more attractive to visitors and development of unused acreage surrounding the Park.

A majority of Wild Animal – Georgia’s animals are born in our Georgia Park and the animals we acquire are generally purchased domestically. We rarely import animals. Auctions and sales of animals across the United States occur often and we may acquire animals in these auctions if we see an opportunity to enhance our Parks. As a result of natural breeding, the animal population in our Georgia Park has grown in recent years. From time to time, we sell surplus animals born in the Park, and these proceeds are recorded as revenue. The Company had no accounts receivable from animal sales as of September 30, 2018 and October 1, 2017, respectively.

Food and beverages are purchased locally, although the main products and ingredients for the Noble Roman’s Pizza and Tuscano’s Subs are purchased from the national franchising company. Effective June 21, 2015, we renewed our rights to own and operate Noble Roman’s Pizza and Tuscano’s Italian Subs food franchises at our Georgia Park through June 20, 2020. The Company pays the franchisor a royalty of 7.0% on applicable gross product sales.

Wild Animal, Inc. – Our Missouri Park

Wild Animal – Missouri purchased our Missouri Park as of March 5, 2008. Our Missouri Park is situated in Strafford, Missouri on 255 acres of land located 12 miles east of Springfield and approximately 45 miles north of Branson. Our Missouri Park is a drive-through wild animal park with five-mile course permitting access to approximately 400 animals, birds and reptiles, comprised of over 65 species. Most of the animals roam wild throughout the natural habitat. Visitors are able to observe, photograph and feed the animals along the paved roads that run throughout the drive-through section of our Missouri Parks’ natural habitat area. Some animals are contained in special fenced-in areas within the natural habitat, drive-through section of our Missouri Park and other animals are located in a more traditional zoo-like atmosphere. In addition, our Missouri Park offers a gift shop, a food and beverage area, an indoor group dining and activity room, and a petting zoo. During our 2013 fiscal year, we opened a reptile house within the more traditional zoo-like area of our Missouri Park, featuring reptiles from several continents. During our 2015 fiscal year, we completed the installation of five amusement park “kiddie” rides at our Missouri Park. During our 2018 fiscal year, we made a significant investment in acquiring a baby female giraffe for our Missouri Park.

Employees

Our Georgia Park has approximately 14 full-time employees. During our Georgia Park's prime attendance season, which typically begins in the latter half of March and extends through early September, we generally engage up to 25 additional seasonal employees. Our Missouri Park has approximately six year-round employees and has engaged up to 12 additional seasonal employees during the peak season. We also engage consultants from time to time. We have no collective bargaining agreements with our employees and believe our relations with our employees are good. Parks! America has three officers who oversee the strategy of the Company, the operations of our Parks, as well as the overall financial activities, controls and reporting for the Company and each individual Park.

ITEM 1A. RISK FACTORS

You should read the following discussion and analysis together with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategies for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "RISK FACTORS" below for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this report. If any of the following risks actually occur, our business, financial condition and results of operations could be adversely affected.

Risk Factors Relating to Our Business:

The Theme Park Industry is highly competitive and we may be unable to compete effectively.

The theme park industry is highly competitive, highly fragmented, rapidly evolving, and subject to technological change and intense marketing by providers with similar products. One of our competitors for attracting general recreation dollars, Callaway Gardens, is located within five miles of our Georgia Park. In May 2018, Great Wolf Resorts opened an expansive lodge and indoor waterpark within 10 miles of our Georgia Park. In September 2017, the founder of Bass Pro Shops opened “Johnny Morris’ Wonders of Wildlife National Museum and Aquarium”, approximately 12 miles from our Missouri Park in Springfield, Missouri. Branson, Missouri is located just 45 minutes from our Missouri Park. Many of our current competitors are significantly larger and have substantially greater market presence as well as greater financial, technical, operational, marketing and other resources and experience than we have. In the event that such a competitor expends significant sales and marketing resources in one or several markets we may not be able to compete successfully in such markets. We believe that competition will continue to increase, potentially placing downward pressure on prices. Such pressure could adversely affect our gross margins if we are not able to reduce costs commensurate with such price reductions. In addition, the pace of technological change makes it impossible for us to predict whether we will face new competitors using different technologies to provide the same or similar products offered or proposed to be offered by us. If our competitors were to provide better and more cost effective products, our business could be materially and adversely affected.

We face strong competition from numerous entertainment alternatives.

In addition to competing with other themed and amusement parks, our venues compete with other types of recreational venues and entertainment alternatives, including but not limited to movies, sports attractions, vacation travel and video games. There can be no assurance that we will successfully differentiate ourselves from these entertainment alternatives or that consumers will consider our entertainment offerings to be more appealing than those of our competitors. The increasing availability and quality of technology-based entertainment has provided families with a wider selection of entertainment alternatives in their homes, including home entertainment units, in-home and online gaming, as well as on-demand streaming video and related access to various forms of entertainment. In addition, traditional theme parks have been able to reduce the cost and increase the variety of their attractions by implementing technologies that cannot be readily incorporated by wild animal attractions such as our Georgia and Missouri Parks.

The suspension or termination of any of our business licenses may have a negative impact on our business.

We maintain a variety of business licenses issued by federal, state and local government agencies that are required to be renewed periodically. We cannot guarantee that we will be successful in renewing all of our licenses on a periodic basis. The suspension, termination or expiration of one or more of these licenses could have a significant adverse affect on our revenues and profits. In addition, any changes to the licensing requirements for any of our licenses could affect our ability to maintain the licenses.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer, and our insurance costs may increase.

Companies engaged in the theme park business may be sued for substantial damages in the event of an actual or alleged accident. An accident occurring at our Parks or at competing parks may reduce attendance, increase insurance premiums, and negatively impact our operating results. Our properties contain drive-through, safari style animal parks, and there are inherent risks associated with allowing the public to interact with animals. Although we carry liability insurance to cover this risk, there can be no assurance that our coverage will be adequate to cover liabilities, or that we will be able to afford or obtain adequate coverage should a catastrophic incident occur.

We currently have \$6.0 million of liability insurance per occurrence, which is capped at \$10.0 million in aggregate. We will continue to use reasonable commercial efforts to maintain policies of liability, fire and casualty insurance sufficient to provide reasonable coverage for risks arising from accidents, fire, weather, other acts of God, and other potential casualties. There can be no assurance that we will be able to obtain adequate levels of insurance to protect against suits and judgments in connection with accidents or other disasters that may occur in our Parks.

We may not identify or complete acquisitions in a timely, cost-effective manner, if at all.

Our business plan includes expansion via the acquisition of additional local or regional theme parks and attractions, if attractive opportunities arise. However, we have not made an acquisition since 2008 and there can be no assurance that we will be successful in acquiring and operating additional local or regional theme parks and attractions. Competition for acquisition opportunities in the theme park industry is intense as there are a limited number of parks within the United States that could reasonably qualify as acquisition targets for us. Our acquisition strategy is dependent upon, among other things, our ability to: identify acquisition opportunities; obtain debt and equity financing; and obtain necessary regulatory approvals. Our ability to pursue our acquisition strategy may be hindered if we are not able to successfully identify acquisition targets or obtain the necessary financing or regulatory approvals, including but not limited to those arising under federal and state antitrust and environmental laws.

Significant amounts of additional financing may be necessary for the implementation of our Business Plan.

The Company may require additional debt and equity financing to pursue its business plan. There can be no assurance that we will be successful in obtaining additional financing. Lack of additional funding could force us to substantially curtail our expansion plans. Furthermore, the issuance by the Company of any additional securities would dilute the ownership of existing stockholders and may affect the price of our common stock.

Our ownership of real property subjects us to environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

We may be required to incur costs to comply with environmental requirements, such as those relating to discharges to air, water and land; the handling and disposal of solid and hazardous waste; and the cleanup of properties affected by hazardous substances. Under these and other environmental requirements we may be required to investigate and clean up hazardous or toxic substances or chemical releases at one of our properties. As an owner or operator, we could also be held responsible to a governmental entity or third party for property damage, personal injury and investigation and cleanup costs incurred by them in connection with any contamination. Environmental laws typically impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The liability under environmental laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use our property. We are not currently aware of any material environmental risks regarding our properties. However, we may be required to incur costs to remediate potential environmental hazards or to mitigate environmental risks in the future.

We are dependent upon the services of our Executive Officers and consultants.

Our success is heavily dependent on the continued active participation of our executive officers. Loss of the services of one or more of these officers could have a material adverse effect upon our business, financial condition or results of operations.

Further, our success and achievement of our growth plans depend on our ability to recruit, hire, train and retain other highly qualified technical and managerial personnel. Competition for qualified employees among companies in the theme park industry is intense, and the loss of any such persons, or an inability to attract, retain and motivate any additional highly skilled employees required for the expansion of the Company's activities, could have a materially adverse effect on the Company. The inability of the Company to attract and retain the necessary personnel, and consultants and advisors could have a material adverse effect on the Company's business, financial condition or results of operations.

Risk Factors Relating to Our Common Stock:

Our Common Stock is subject to the "penny stock" rules of the SEC and the trading market in our Common Stock is limited, which makes transactions in our Common Stock cumbersome and may reduce the value of an investment in our Common Stock.

Our common stock is considered a "penny stock" and the sale of our stock by you will be subject to the "penny stock rules" of the SEC. The penny stock rules require broker-dealers to take steps before making any penny stock trades in customer accounts. As a result, the market for our shares could be illiquid and there could be delays in the trading of our stock, which would negatively affect your ability to sell your shares and could negatively affect the trading price of your shares.

We do not expect to pay dividends for some time, if at all.

As of the date of this report, no cash dividends have been paid on our common stock. We expect that any income from operations will be devoted to our future operations and growth, as well as to service our debt. We do not expect to pay cash dividends in the near future. Any future determination as to the payment of dividends on our common stock will be at the discretion of our Board of Directors and will depend on our earnings, operating and financial condition, capital requirements and other factors deemed relevant by our Board of Directors. The provisions of credit agreements, which we may enter into from time to time, may also restrict the declaration of dividends on our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

The Company owns and operates the following wild animal theme parks:

Wild Animal Safari, Inc. – Our Georgia Park

Wild Animal - Georgia owns and operates our Georgia Park in Pine Mountain, Georgia. Our Georgia Park is situated within a 200-acre portion of a 500-acre plot (also owned by Wild Animal – Georgia), located approximately 75 miles southwest of Atlanta. Our Georgia Park includes a drive-through animal viewing area that opened in 1991. It is home to over 500 animals, birds and reptiles, comprised of over 65 species. Most of the animals roam wild throughout a natural habitat. Visitors are able to observe, photograph and feed the animals along the more than three miles of paved roads that run throughout the drive-through section of our Georgia Parks' natural habitat area. Some animals are contained in special fenced-in areas within the natural habitat, drive-through section of our Georgia Park and others are located in a more traditional zoo-like atmosphere. Also within our Georgia Park is our reptile house, which is located next to our petting zoo and features reptiles from several continents.

In addition to the animal environments, our Georgia Park contains a gift shop, a restaurant and ice cream parlor, an arcade, a picnic and group recreation area, lakes and a pavilion.

Wild Animal, Inc. – Our Missouri Park

Wild Animal – Missouri owns and operates our Missouri Park in Strafford, Missouri. Our Missouri Park is situated on 255 acres of land located 12 miles east of Springfield and approximately 45 miles north of Branson. Our Missouri Park is a drive-through wild animal park with a five-mile course permitting access to approximately 400 animals, birds and reptiles, comprised of over 65 species. Most of the animals roam wild throughout the natural habitat. Visitors are able to observe, photograph and feed the animals along the paved roads that run throughout the drive-through section of our Missouri Parks' natural habitat area. Some animals are contained in special fenced-in areas within the natural habitat, drive-through section of our Missouri Park and other animals are located in a more traditional zoo-like atmosphere. In addition, our Missouri Park offers a gift shop, a food and beverage area, an indoor group dining and activity room, and a petting zoo. During the 2013 fiscal year we opened a reptile house within the more traditional zoo-like area of our Missouri Park, featuring reptiles from several continents.

ITEM 3. LEGAL PROCEEDINGS

As of March 30, 2017, we entered into a settlement and release agreement (the “Eastland Settlement Agreement”) with Larry Eastland, the Company’s former President and CEO and certain parties affiliated with Mr. Eastland (collectively the “Eastland Defendants”) thereby bringing to a close litigation commenced by the Company in September of 2009 and identified as Parks! America, Inc. vs. Eastland; et al., Case No. 09-A-599668 in the Eighth Judicial District Court of the State of Nevada. Prior to that, in November of 2016, we reached a settlement with Stanley Harper and Computer Contact Service, Inc., an entity controlled by Mr. Harper (together the “Harper Defendants”) who were also defendants in that case. As a result, this litigation was terminated. The Harper Defendants received \$372,416, inclusive of additional attorney’s fees, costs and interest (the “Harper Judgment Award”), which was paid on November 8, 2016. The Eastland Defendants agreed to make a settlement payment to the Company of \$80,000 and assign 10,000 shares of the Company’s common stock, beneficially owned by one of the Eastland Defendants, to the Company (the “Settlement Shares”). Furthermore, we consented to the sale of 10,010,000 shares of common stock beneficially owned by the Eastland Defendants to Nicholas Parks (the “NP Transaction”). On April 20, 2017, the Company received the \$80,000 settlement payment and the Settlement Shares. A Stipulation and Order to Dismiss the Litigation with Prejudice was filed on April 24, 2017. As part of the NP Transaction, we entered into a Settlement Agreement and Release with Nicholas Parks, dated as of March 30, 2017 (the “NP Settlement Agreement”). As a result of the NP Transaction and subsequent activity, as of September 30, 2018, based on recent filings with the SEC, Nicholas Parks holds shares representing approximately 12.2% of the outstanding common stock of the Company.

Other Matters

Except as described above, we are not a party to any pending legal proceeding, nor is its property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of its business. None of our directors, officers or affiliates is involved in a proceeding adverse to its business or has a material interest adverse to its business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II**ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock trades on the OTCPink under the symbol “PRKA”. The table below sets forth, for the periods indicated, the high and low closing prices per share of our common stock as reported on the OTCPink. These quotations reflect prices between dealers, do not include retail mark-ups, markdowns, and commissions and may not necessarily represent actual transactions. The prices are adjusted to reflect all stock splits. As of September 30, 2018, there were 74,721,537 shares outstanding held by approximately 3,200 stockholders of record. The number of stockholders of record does not reflect shares held beneficially or those shares held in “street” name.

	High	Low
2018 First Quarter	\$ 0.248	\$ 0.210
Second Quarter	\$ 0.270	\$ 0.190
Third Quarter	\$ 0.228	\$ 0.141
Fourth Quarter	\$ 0.165	\$ 0.134
2017 First Quarter	\$ 0.113	\$ 0.085
Second Quarter	\$ 0.164	\$ 0.091
Third Quarter	\$ 0.195	\$ 0.150
Fourth Quarter	\$ 0.275	\$ 0.175

We do not currently pay any dividends on our common stock, and for the foreseeable future we intend to retain future earnings, if any, for use in our business. Any future determination as to the payment of dividends on our common stock will be at the discretion of our Board of Directors and will depend on our earnings, operating and financial condition, capital requirements and other factors deemed relevant by our Board of Directors. The provisions of our credit agreements, which we may enter into from time to time, may also restrict the declaration of dividends on our common stock.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management’s discussion and analysis of results of operations and financial condition (“MD&A”) is a supplement to the accompanying consolidated financial statements and provides additional information on our businesses, current developments, financial condition, cash flows and results of operations. The following discussion should be read in conjunction with our consolidated financial statements for the year ended September 30, 2018 provided in this Annual Report on Form 10-K. Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, as discussed more fully herein.

The forward-looking information set forth in this Annual Report on Form 10-K is based on management’s current views and assumptions regarding future events, and speak only as of the date of this report. We assume no obligation to update any of these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements, except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC. More information about potential factors that could affect our business and financial results is included in the section entitled “RISK FACTORS” in this Annual Report on Form 10-K.

Overview

Through our wholly owned subsidiaries, we own and operate two regional theme parks and are 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 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”).

Our Parks are open year round but experience increased seasonal attendance, typically beginning in the latter half of March through early September. On a combined basis, net sales for the third and fourth quarter of our last two fiscal years represented approximately 64% to 68% of annual net sales.

As outlined in the table below, our annual net sales, adjusted income before income taxes and net cash provided by operating activities in recent years have improved significantly over the past five years. These improvements are primarily attributable to a combination of increased attendance revenues and strong operating cost controls. Our Georgia Park in particular has benefitted from several positive factors including strong and stable management, the addition of online ticket sales in June 2015, growth and positive economic conditions in the greater Atlanta area, as well as positive guest perceptions of this Park.

	Fiscal Year				
	2018	2017	2016	2015	2014
Total net sales	\$ 6,046,758	\$ 6,238,264	\$ 5,026,435	\$ 4,379,156	\$ 4,009,837
<i>% change</i>	<i>-3.1%</i>	<i>24.1%</i>	<i>14.8%</i>	<i>9.2%</i>	<i>6.8%</i>
Adjusted income before income taxes (*)	1,553,124	1,955,954	1,278,921	675,099	309,496
<i>% change</i>	<i>-20.6%</i>	<i>52.9%</i>	<i>89.4%</i>	<i>118.1%</i>	<i>28.2%</i>
Net cash provided by operating	1,767,243	1,827,187	1,463,333	1,051,181	667,492

activities					
<i>% change</i>	-3.3%	24.9%	39.2%	57.5%	73.7%

* - Excludes \$130,532 of deferred financing costs write-offs in 2018, a \$80,000 settlement gain in 2017, and judgment award charges of \$68,088 and \$304,328 in 2016 and 2014, respectively.

We are committed to leveraging the strong operating model we have established at our Georgia Park, with a focus on increasing attendance, as well as increasing the average revenue generated per guest visit via concession and gift shop revenues.

Among our highest priorities is the improvement of the operating performance and profit at our Missouri Park. Since we acquired our Missouri Park in March 2008, we have worked to upgrade the Park’s physical facilities, upgrade and expand its animal population and dramatically improve its concessions. During our 2018 fiscal year, we made a significant investment in acquiring a baby female giraffe for our Missouri Park. We will continue to focus our efforts to promote our Missouri Park and make additional improvements as our capital budget allows. We expect that over the course of several years these efforts will ultimately yield favorable results.

On July 11, 2018, we completed a refinancing transaction (the “2018 Refinancing”), which included a term loan in the original principal amount of \$1,600,000 (the “2018 Term Loan”). The 2018 Term Loan bears interest at a rate of 5.0% per annum and is payable in monthly payments of approximately \$22,672, based on a seven year amortization period. Our improved financial position allowed us to lower our term loan interest rate by 200 basis points to 5.0% per annum. We used the proceeds of the 2018 Term Loan and available cash of approximately \$1,248,165 to retire the then outstanding principal balance of our 2013 Refinancing Loan. See “NOTE 4. LONG TERM DEBT” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional information.

Our business plan includes expansion via the acquisition of additional local or regional theme parks and attractions, if attractive opportunities arise. However, we have not made an acquisition since 2008 and there can be no assurance that we will be successful in acquiring and operating additional local or regional theme parks and attractions. We believe acquisitions, if any, should not unnecessarily encumber the Company with additional debt that cannot be justified by current operations. We may also pursue contract management opportunities for themed attractions owned by third parties. By using a combination of equity, debt and other financing options, we intend to carefully monitor stockholder value in conjunction with the pursuit of growth.

Strong growth in our operating cash flow and the lower annual debt service associated with the 2018 Refinancing Loan has provided us with incremental cash flow margin. However, our current size and operating model leave us little room for error. Any future capital raised by us is likely to result in dilution to existing stockholders. It is possible that cash generated by, or available to, us may not be sufficient to fund our capital and liquidity needs for the near-term.

Consolidated and Segment Results of Operations For the Year Ended September 30, 2018 as Compared to the Year Ended October 1, 2017

We manage our operations on an individual location basis. Discrete financial information is maintained for each Park and provided to our corporate management for review and as a basis for decision-making. The primary performance measures used to allocate resources are Park earnings before interest and tax expense, and free cash flow. We use this measure of operating profit to gauge segment performance because we believe this measure is the most indicative of performance trends and the overall earnings potential of each segment.

The following table shows our consolidated and segment operating results for the years ended September 30, 2018 and October 1, 2017:

	Georgia Park		Missouri Park		Consolidated	
	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017	Fiscal 2018	Fiscal 2017
Total net sales	\$ 5,123,550	\$ 5,217,975	\$ 923,208	\$ 1,020,289	\$ 6,046,758	\$ 6,238,264
Segment income (loss) from operations	2,442,849	2,932,356	(144,358)	(56,831)	2,298,491	2,875,525
<i>Segment operating margin %</i>	<i>47.7%</i>	<i>56.2%</i>	<i>-15.6%</i>	<i>-5.6%</i>	<i>38.0%</i>	<i>46.1%</i>
Corporate expenses					(587,743)	(730,686)
Other income (expense), net					20,204	91,373
Write-off of loan fees - prepayment					(130,532)	-
Interest expense					(177,828)	(200,258)
Income before income taxes					\$ 1,422,592	\$ 2,035,954

Total Net Sales

The Company's total net sales for the year ended September 30, 2018 decreased by \$191,506, or 3.1%, to \$6,046,758 versus the year ended October 1, 2017. Our Parks' combined attendance based net sales decreased by \$240,998 or 3.9%, while animal sales increased by \$49,492.

Our Georgia Park's total net sales decreased by \$94,425 or 1.8%. Our Georgia Park's attendance based net sales decreased by \$149,083 or 2.9%. Our Missouri Park's net sales decreased by \$97,081 or 9.5%. Our Missouri Park's attendance based net sales decreased by \$91,915 or 9.3%.

For the year ended September 30, 2018, attendance at our Georgia Park and our Missouri Park decreased by 9.0% and 17.2%, respectively. We believe that higher precipitation levels, as well as unplanned park closures due to several significant weather events, negatively impacted attendance at each Park during the year ended September 30, 2018.

Segment Operating Margin

Our consolidated segment operating margin decreased by \$577,034, resulting in segment income from operations of \$2,298,491 for the year ended September 30, 2018 compared to segment income from operations of \$2,875,525 for the year ended October 1, 2017. Our Georgia Park's segment income was \$2,442,849, a decrease of \$489,507, principally as a result of lower attendance based net sales, and higher insurance, compensation and advertising costs, higher depreciation expense, as well as higher cost of sales, partially offset by increased animal sales. Our Missouri Park generated an operating loss of \$144,358, an increase of \$87,527, as a result of lower attendance based net sales, higher depreciation expense, and higher losses on asset disposals, partially offset by lower overall operating costs.

Corporate Expenses

Corporate spending totaled \$587,743 during the year ended September 30, 2018, a decrease of \$142,943, primarily due to lower legal fees, partially offset by higher compensation expense.

Other Income (Expense), Net

Pursuant to a legal settlement, we received a settlement payment of \$80,000 on April 20, 2017, which has been included in other income for our year ended October 1, 2017. See “NOTE 9. COMMITMENTS AND CONTINGENCIES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional information on this matter. Excluding this legal settlement we received, other income, net, increased by \$8,831 during our 2018 fiscal year primarily as a result of higher interest income.

Write-off of loan fees – prepayment

During the year ended September 30, 2018, we wrote-off a total of \$130,532 of deferred loan fees resulting from prepayments related to our 2013 Refinancing Loan. In December 2017, we made a \$300,000 prepayment and in July 2018, we refinanced the remaining outstanding balance our 2013 Refinancing Loan.

Interest Expense

Interest expense, including the scheduled amortization of loan fees, was \$177,828 for the year ended September 30, 2018, a decrease of \$22,430, primarily as a result of lower average term loan borrowing and a lower interest rate associated with our 2018 Term Loan, partially offset by a 1.25% increase in the interest rate on our 2013 Refinancing Loan from January 8, 2018 through July 11, 2018.

Income Taxes

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) was enacted into federal law, which includes significant changes to the U.S. corporate federal tax code. Among other changes, the Tax Act lowered the U.S. statutory corporate federal income tax rate from 35.0% to 21.0% effective January 1, 2018. As our 2018 fiscal year end fell on September 30, the U.S. statutory federal income tax rate for our 2018 fiscal year will be a blended rate of 24.5%, with the statutory rate of 21.0% applicable for our fiscal years beginning with 2019. Based on current statutory tax rates, beginning in our 2019 fiscal year, we expect a blended federal and state income tax rate in the range of 26.0% to 27.0%

For the fiscal year ended September 30, 2018, we generated income before income taxes of \$1,422,592 and recorded a tax provision of \$411,400, for an effective tax rate of approximately 28.9%. For the fiscal year ended October 1, 2017, we generated income before income taxes of \$2,035,954 and recorded a tax provision of \$775,300, for an effective tax rate of approximately 38.1%.

Our 2018 fiscal year income tax provision includes the utilization of approximately \$93,500 of deferred tax assets, comprising the remaining balance of our Federal income tax net operating loss carry-forwards. We recognized approximately \$48,000 of credits associated with Federal alternative minimum taxes paid in previous years. In addition, during our 2018 fiscal year, we recognized a one-time net deferred tax charge of \$66,855, of which \$36,595 was associated with the revaluation of our net deferred tax liability at the 2018 fiscal year blended tax rate. The remaining net deferred tax charge of \$30,260 was associated with a reassessment of our remaining cumulative federal net operating loss carry-forward. As of September 30, 2018, we have fully utilized our cumulative Federal net operating loss carry-forwards.

Our 2017 fiscal year income tax provision included the utilization of \$616,769 of deferred tax assets. Approximately \$490,148 is associated with the utilization of a portion of our Federal income tax net operating loss carry-forwards. In addition, our 2017 fiscal year tax provision includes the realization of a deferred tax asset of \$126,621 associated with the summary judgment payment.

For the fiscal years ended September 30, 2018 and October 1, 2017, we recorded a provision for State of Georgia income taxes of \$65,100 and \$125,600, respectively.

For additional information, see “NOTE 8. INCOME TAXES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional information on this matter.

Net Income and Income Per Share

Our net income for the year ended September 30, 2018 was \$1,011,192 or \$0.01 per basic share and per fully diluted share, a decrease of \$249,462 as compared with a net income of \$1,260,654 or \$0.02 per basic share and per fully diluted share, for the year ended October 1, 2017.

	For the year ended	
	September 30, 2018	October 1, 2017
Net Income	\$ 1,011,192	\$ 1,260,654
Write-off of loan fees - prepayment	130,532	-
Tax impact - write-off of loan fees-prepayment	(37,893)	-
Other income - settlement income	-	(80,000)
Tax impact - settlement income	-	30,500
Adjusted net income	\$ 1,103,831	\$ 1,211,154

As shown in the table above, several significant one-time items impacted our year-over-year net income comparison. Our 2018 fiscal year included \$130,532 for the write-off of deferred loan fees associated with term loan prepayments. Excluding the after-tax effect of these items, our 2018 fiscal year net income would have been \$1,103,831. Our 2017 fiscal year included other income of \$80,000 associated with a legal settlement. Excluding after-tax effect of the legal settlement, our 2017 fiscal year net income would have been approximately \$1,211,154. After making these adjustments, our 2018 fiscal year adjusted net income decreased by \$107,323. The primary drivers for this decrease are a \$489,507 decrease in segment income for our Georgia Park and a \$87,527 increase in the segment loss of our Missouri Park, partially offset by a \$295,507 decrease in our adjusted income tax provision, a \$142,943 decrease in Corporate spending and \$22,430 reduction in interest expense.

Financial Condition, Liquidity and Capital Resources

Financial Condition and Liquidity

Our primary sources of liquidity are cash generated by operations and borrowings under our loan agreements. Our slow season starts after Labor Day in September and runs until Spring Break, which typically begins toward the end of March. The first and second quarters of our fiscal year have historically generated negative cash flow, requiring us to borrow on a seasonal basis to fund operations and prepare our Parks for the busy season during the third and fourth quarters of our fiscal year. However, as a result of our improved cash position, during our 2018 and 2017 fiscal years we did not utilize any seasonal borrowing.

We believe that our performance has improved to the point that annual cash flow from operations will be sufficient to fund operations, make debt-service payments and spend modestly on capital improvements in the near-term. During the next twelve months, our focus will continue on increasing Park attendance revenues. Any slowdown in revenue or unusual capital outlays may require us to seek additional capital.

Our working capital was \$2.54 million as of September 30, 2018, compared to \$3.14 million as of October 1, 2017. This decrease in working capital primarily reflects a reduction in cash related to loan refinancing and prepayment activity, and capital investment spending, partially offset by cash flow provided by operating activities, during our 2018 fiscal year.

Total loan debt, including current maturities, as of September 30, 2018 was \$1.55 million compared to \$3.10 million as of October 1, 2017. The decrease in total loan debt was a result of loan refinancing and prepayment activity, as well scheduled payments against our term loans, during the year ended September 30, 2018. There were no borrowings on our bank LOCs as of September 30, 2018 and October 1, 2017, respectively.

As of September 30, 2018, we had equity of \$7.81 million and total loan debt of \$1.55 million, resulting in a debt to equity ratio of 0.20 to 1.0. Our debt to equity ratio was 0.46 to 1.0 as of October 1, 2017.

Operating Activities

Net cash provided by operating activities was \$1.77 million and \$1.83 million, for our 2018 and 2017 fiscal years, respectively, resulting in a decrease of \$59,944. Excluding impact of the Harper Judgment Award activity in our 2017 fiscal year (as further described in “NOTE 9. COMMITMENTS AND CONTINGENCIES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K), cash flow provided by operating activities decreased by \$432,360 for the year ended September 30, 2018, primarily as a result of reduction in our net income and a decrease in our deferred tax asset utilization, partially offset by lower net working capital uses.

Investing Activities

During our 2018 fiscal year, we spent \$612,273 on capital improvements at our Parks, compared to \$438,352 spent on capital improvements during our 2017 fiscal year.

For our Georgia Park, 2018 fiscal year spending on property and equipment included improvements to the drive-through roads, additional guest parking, various animal acquisitions, improvements and additions to animal shelters and exhibits, spending on annual requirements for our rental vehicle fleet, and several additions to our guest entertainment offerings. For our Missouri Park, 2018 fiscal year spending on property and equipment included the acquisition of a giraffe and various other animal purchases, improvements to several animal shelters and exhibits, as well as additions to our park maintenance equipment.

For our Georgia Park, 2017 fiscal year spending on property and equipment included various animal acquisitions, improvements and additions to animal shelters and exhibits, improvements to the drive-through roads, spending on annual requirements for our rental vehicle fleet, and additions to our park maintenance equipment. For our Missouri Park, 2017 fiscal year spending on property and equipment included various animal acquisitions, ground improvements in the walk about section of the Park and to drive-through roads, improvements to several animal shelters and exhibits, as well as additions to our park maintenance equipment.

As detailed in “NOTE 9. COMMITMENTS AND CONTINGENCIES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, our 2017 fiscal year also included a one-time \$456,492 reduction in restricted cash associated with the payout of the Harper Judgment Award, with approximately \$79,300 of previously restricted cash being released back to the Company as unrestricted funds.

Financing Activities

During our 2018 fiscal year, we used \$1,687,091 of cash in financing activities, compared to \$126,751 of cash used in financing activities during our 2017 fiscal year. On July 11, 2018 we paid down the balance of our 2013 Refinancing Loan, utilizing \$1,248,165 of cash on-hand, along with \$1,600,000 in proceeds from the 2018 Term Loan. In addition, on December 13, 2017, we made a \$300,000 prepayment against our 2013 Refinancing Loan. The remaining \$123,246 in loan payments during our 2018 fiscal year, as well as the \$126,751 in loan payments made during our 2017 fiscal year, were based on applicable loan repayment schedules. We did not utilize seasonal borrowings during our 2018 or 2017 fiscal years.

Borrowing Agreements

On July 11, 2018, we, through our wholly owned subsidiary Wild Animal – Georgia, completed the 2018 Refinancing with Synovus. The 2018 Refinancing included the 2018 Term Loan in the original principal amount of \$1,600,000 and a line of credit of up to \$350,000 (the “2018 LOC”). The 2018 Term Loan bears interest at a rate of 5.0% per annum and is payable in monthly payments of approximately \$22,672, based on a seven year amortization period. The 2018 Term Loan has a maturity date of June 11, 2021, with an option to renew at 5.0% per annum for an additional 49 month term. The 2018 LOC bears interest at a rate of 4.75% and interest only payments are due monthly. The 2018 LOC matures on July 11, 2021, with an option to renew for an additional three-year term. The 2018 Term Loan and the 2018 LOC are secured by a security deed on the assets of Wild Animal – Georgia. We used the proceeds of the 2018 Term Loan, along with available cash of \$1,248,165, to refinance the then outstanding balance of the 2013 Refinancing Loan. We paid a total of approximately \$15,680 in fees and expenses in connection with the 2018 Refinancing. As a result of the 2018 Refinancing and \$300,000 prepayment made earlier in fiscal 2018, we wrote-off \$130,532 of 2013 Refinancing Loan deferred fees during the year ended September 30, 2018.

Subsequent Events

On November 28, 2018, James Meikle, our Chief Operating Officer and a member of our Board of Directors, passed away.

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, liquidity or capital expenditures.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Our significant accounting policies are set forth in “NOTE 2. SIGNIFICANT ACCOUNTING POLICIES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, which should be reviewed as they are integral to understanding our results of operations and financial position. Our critical accounting policies are periodically reviewed with the Audit Committee of the Board of Directors of the Company.

The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of any contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to long-lived assets, income taxes, and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Although actual results historically have not deviated significantly from those determined using our estimates, our results of operations or financial condition could differ, perhaps materially, from these estimates under different assumptions or conditions.

Long-lived Assets, including Property and Equipment

Property and equipment are stated at cost. Improvements and replacements are capitalized when they extend the useful life, increase capacity or improve the efficiency of the assets. Repairs and maintenance are charged to expense as incurred. Depreciation of property and equipment is provided on the straight-line method and is based on the estimated useful economic lives of the respective assets. We make subjective assessments as to these useful lives for purposes of determining the amount of depreciation to record annually with respect to our investments in property and equipment. These assessments have a direct impact on our net income or loss, as a change in the estimated useful economic lives of our investments in property and equipment would increase or decrease depreciation expense, thereby decreasing or increasing net income or loss. We review long-lived assets whenever circumstances change such that the recorded value of an asset may not be recoverable and therefore impaired.

Accounting for Income Taxes

We account for income taxes under the asset and liability method, under which deferred tax assets and liabilities are recognized for the anticipated future tax consequences attributable to differences between financial statement amounts and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. We review our deferred tax assets to determine whether their value can be realized based upon available evidence. A valuation allowance is established when we believe that it is more likely than not that some portion of its deferred tax assets will not be realized.

Significant judgment is required in determining our provision or benefit for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against our net deferred tax assets. We record deferred tax assets, primarily resulting from net operating loss carry-forwards, to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operations. In the event we determine it is more likely than not we will not realize our deferred tax assets we establish a valuation allowance. During the year ended October 2, 2016, we determined that a valuation allowance was no longer appropriate for our Federal net operating loss carry-forwards as the uncertainties related to our ability to utilize these deferred tax assets before they expire have been substantially reduced, making it more likely than not we will fully realize the related future tax benefit. During the year ended September 30, 2018, we utilized the remaining balance of our Federal net operating loss carry-forwards.

Contingencies

As described in “NOTE 9. COMMITMENTS AND CONTINGENCIES” of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, the legal proceedings in which we were previously involved were resolved during our 2017 fiscal year. We are not aware of any other legal matters involving the Company, however, there can be no assurance that all proceedings that may currently be brought against us are known by us at this time.

Other Significant Accounting Policies

Other significant accounting policies, primarily those with lower levels of uncertainty than those discussed above, are also critical to understanding our consolidated financial statements. The Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K contain additional information related to our accounting policies and should be read in conjunction with this discussion.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and related notes are set forth at pages F-1 through F-14.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

With the participation of the principal executive officer and principal financial officer of Parks! America (the “Registrant”), the Registrant’s management has evaluated the effectiveness of the Registrant’s disclosure controls and procedures, as required by Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as

of the end of the fiscal year covered by this Annual Report on Form 10-K. Based upon that evaluation, the Registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures were effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

(b) Management's Annual Report on Internal Control over Financial Reporting

Overview

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States and includes those policies and procedures that:

- 1 . Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- 2 . Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- 3 . Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce this risk.

Management based its assessment of the Company's internal control over financial reporting on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management has concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective as of September 30, 2018.

(c) Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting, as defined in Rules 13a-15(f) of the Exchange Act, during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting as of September 30, 2018.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Our executive officers and directors are as follows:

Name	Age	Title
Dale Van Voorhis	77	Chief Executive Office and Director
Todd R. White	56	Chief Financial Officer and Director
Michael D. Newman	50	Vice President of Safari Operations
Jeffery Lococo	61	Secretary and Director
Charles Kohnen	51	Director

Dale Van Voorhis

Dale Van Voorhis was appointed as our Chief Executive Officer on January 27, 2011. Mr. Van Voorhis was re-appointed to our Board of Directors on March 13, 2009, and served as the Company's Chief Operating Officer from March 28, 2009 until January 27, 2011. Mr. Van Voorhis previously served the Company in various management and board of director roles from December 2003 through December 2006. In addition, Mr. Van Voorhis has been the President of Amusement Business Consultants, Inc., an amusement industry consulting company, since its inception in 1994. Mr. Van Voorhis was President and CEO of Funtime Parks Inc. ("Funtime") from 1982 until 1994. Funtime consisted of three parks in New York and Ohio and they generated total attendance of 2.6 million visitors in 1993. Funtime sold the three parks for \$60 million in 1994. Mr. Van Voorhis has over 40 years of experience in the amusement/entertainment industry.

Todd R. White

Todd R. White was appointed the Chief Financial Officer of Parks! America on May 31, 2013 and was appointed as a Director of the Company effective January 1, 2014. Prior to joining the Company, from 1992 through 2011, Mr. White was an executive with The Scotts Miracle-Gro Company in a variety of roles, and served most recently as its Vice President, Global Controller from 2005 through 2011. Mr. White was with Price Waterhouse in Cincinnati, Ohio from 1986 to 1992. He received a B.A. in business administration from The Ohio State University and an M.B.A. from the University of Wisconsin-Madison. He currently serves on the Board of Managers of Spring Brook Farm Cheese, LLC, which is wholly owned by the Farms for City Kids Foundation.

Michael D. Newman

Michael D. Newman was appointed Vice President of Safari Operations of Parks! America on May 1, 2018. Mr. Newman joined the Company in April 2010, and was the General Manager of Wild Animal – Georgia from February 2011 through April 2018. Prior to joining the Company, Mr. Newman, founded and managed Castle Appraisal Service, a residential and commercial real estate appraisal company. Mr. Newman has held various management roles with retail and banking companies. Mr. Newman also has a background in Biology and Animal Husbandry. He is a member of the Exotic Wildlife Association and the First Baptist Church in LaGrange, Georgia. Mr. Newman received a Bachelor of degree in business management from The University of Georgia.

Jeffery Lococo

Jeffery Lococo was appointed Secretary of the Company on January 27, 2011 and has been a Director of the Company since May 2006. Mr. Lococo is President of Lococo Company LLC, an industry leading consulting firm in the amusement and resort industry segment. Mr. Lococo began his career with the Marriott Corporation theme park division, and progressed through middle management to General Manager level in 1990 with Funtime. From 1994 to 2000, Mr. Lococo held various executive vice president level positions with Six Flags Inc. Mr. Lococo joined Great Wolf Resorts Inc. in March of 2000 as General Manager of Great Wolf Lodge Sandusky, Ohio, and in 2005, was promoted to Corporate Vice President of Resort Operations for all Great Wolf Lodge Resorts. Mr. Lococo has over 35 years of experience in the theme/water park, entertainment and hospitality industry.

Charles Kohnen

Charles Kohnen has been a director of the Company since October 19, 2010. Mr. Kohnen has a diverse business background including experience with planning and executing management strategies for turnaround companies. From 1998 to 2006 he was Managing Partner of Kohnen Realty Co., a real estate and stock investment company that he co-founded, where he was responsible for all aspects of the business including the coordination of all legal, accounting and buyout matters. Currently, Mr. Kohnen serves as Chairman of the Managing Member Board of Teller's of Hyde Park, Ltd., a privately held restaurant located in Cincinnati, Ohio. Mr. Kohnen also serves on the Board of one non-profit organization and earned a Bachelor of Science degree in General Business from Miami University in Oxford, Ohio.

Involvement in Certain Legal Proceedings

During the past ten years none of the following events have occurred with respect to any of our directors or executive officers or any of the persons nominated by our board to become a director of the Company.

1 . A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2 . Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3 . Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

i . Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

ii . Engaging in any type of business practice; or

iii . Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4 . Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3)(i) above, or to be associated with persons engaged in any such activity;

5 . Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

i. Any Federal or State securities or commodities law or regulation; or

ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and-desist order, or removal or prohibition order; or

iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Audit Committee

Our Audit Committee is responsible for: (1) overseeing the accounting and financial reporting processes of the Company, including the audits of the Company's consolidated financial statements; (2) appointing, compensating and overseeing the work of the independent registered public accounting firm employed by the Company; (3) assisting the Board in its oversight of: (a) the integrity of the Company's consolidated financial statements, (b) the independent registered public accounting firm's qualifications and independence; and (4) undertaking the other matters required by applicable rules and regulations of the SEC. Our Audit Committee is comprised of three directors, Charles Kohnen, Jeffery Lococo, and Dale Van Voorhis. The Board has determined that Dale Van Voorhis qualifies as an "audit committee financial expert" as that term is defined in the applicable SEC Rules.

Our Audit Committee met once in the twelve-month period ended September 30, 2018.

Compensation Committee

Our Compensation Committee determines matters pertaining to the compensation and expense reporting of certain of our executive officers, and administers our stock option, incentive compensation, and employee stock purchase plans. The Compensation Committee is composed of two Directors, Charles Kohnen and Jeffery Lococo.

Our Compensation Committee met three times during the twelve-month period ended September 30, 2018.

Code of Ethics

We have not adopted a Code of Ethics.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% stockholders are required by the SEC regulations to furnish our Company with copies of all Section 16(a) reports they file. Based upon a review of those forms and any written representations regarding the need for filing Forms 5, to the best of the Company's knowledge, no required Section 16(a) reports were filed late.

ITEM 11. EXECUTIVE COMPENSATION**SUMMARY COMPENSATION TABLE**

The following table sets forth information regarding compensation paid to our principal executive officer, principal financial officer, and our other executive officers, for the years ended September 30, 2018, October 1, 2017 and October 2, 2016.

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Award (\$)	Awards (\$)	Incentive Plan Compensation (\$)	Earnings (\$)	Compensation (\$)	All Other Compensation (\$)	Total (\$)	Change in Pension Value and Non- Qualified Non-Equity Deferred
James Meikle (1) President - Wild Animal Safari, Inc. and Wild Animal, Inc., Director and Chief Operating Officer - Parks! America	2018	78,750	30,000	-	-	-	-	-	5,750	114,500	
	2017	135,000	25,000	2,700	-	-	-	-	-	162,700	
	2016	135,000	15,000	1,375	-	-	-	-	-	151,375	
Dale Van Voorhis Chief Executive Officer and Director - Parks! America	2018	90,000	20,000	-	-	-	-	-	5,750	115,750	
	2017	90,000	15,000	2,700	-	-	-	-	-	107,700	
	2016	90,000	7,500	1,375	-	-	-	-	-	98,875	

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Michael D. Newman	2018	92,656	20,000	-	-	-	-	-	112,656
Vice President of Safari Operations - Parks! America	2017	73,712	11,000	-	-	-	-	-	84,712
	2016	61,770	9,000	-	-	-	-	-	70,770
Todd R. White	2018	60,000	20,000	5,750	-	-	-	-	85,750
Chief Financial Officer and Director - Parks! America	2017	60,000	15,000	2,700	-	-	-	-	77,700
	2016	60,000	7,500	1,375	-	-	-	-	68,875

(1) Subsequent to the period covered by this report, on November 28, 2018, Mr. Meikle passed away.

DIRECTOR COMPENSATION

The following table sets forth with respect to the named director, compensation information inclusive of equity awards and payments made in the year ended September 30, 2018.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards Shares/(\$)	Option Awards (\$)	Incentive Plan Compensation (\$)	Change in Pension Value and Non- Qualified Non-Equity Deferred Compensation		All Other Compensation (\$)	Total (\$)
					Earnings (\$)	Compensation		
Dale Van Voorhis	\$5,750	-	-	-	-	-	-	\$5,750
James Meikle (1)	\$5,750	-	-	-	-	-	-	\$5,750
Jeffery Lococo	\$5,750	-	-	-	-	-	-	\$5,750
Charles Kohlen	-	25,000	-	-	-	-	-	\$5,750

Edgar Filing: PARKS AMERICA, INC - Form 10-K

		(\$5,750)					
Todd R. White	-	25,000	-	-	-	-	\$5,750
		(\$5,750)					

(1) Subsequent to the period covered by this report, on November 28, 2018, Mr. Meikle passed away.

Historically, each director was awarded an annual grant of 25,000 Shares for their service to the Company. Beginning in our 2018 fiscal year, we provided each director with the option of receiving their annual grant in Shares or the cash equivalent, based on the Share price on the date of grant.

Employment Agreements

Effective June 1, 2009, we entered into an employment agreement with Dale Van Voorhis (the “2009 Van Voorhis Employment Agreement”) to serve as our Chief Operating Officer. Effective January 27, 2011, Mr. Van Voorhis was appointed as our Chief Executive Officer. Effective June 1, 2018, the Company and Mr. Van Voorhis entered into the “2018 Van Voorhis Employment Agreement”. Pursuant to the 2018 Van Voorhis Employment Agreement, Mr. Van Voorhis receives an initial base compensation in the amount of \$90,000 per year, which is subject to annual review by the Board of Directors. The 2018 Van Voorhis Employment Agreement has a term of two years and entitles Mr. Van Voorhis to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

On April 1, 2008, we entered into an employment agreement with James Meikle (the “2008 Meikle Employment Agreement”) pursuant to which Mr. Meikle was hired to serve as the President and Chief Executive Officer of each of the Company’s wholly owned subsidiaries. Effective January 27, 2011, Mr. Meikle was appointed as the Company’s Chief Operating Officer. Effective April 1, 2017, the Company and Mr. Meikle entered into the “2017 Meikle Employment Agreement”. Pursuant to the 2017 Meikle Employment Agreement, Mr. Meikle receives an initial base annual compensation in the amount of \$135,000 per year, subject to annual review by the Board of Directors. The 2017 Meikle Employment Agreement has a term of two years and entitles Mr. Meikle to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company. Subsequent to the period covered by this report, Mr. Meikle passed away.

Effective January 1, 2014, we entered into an employment agreement with Todd R. White (the “White Employment Agreement”) to serve as our Chief Financial Officer. Mr. White received an initial base compensation of \$50,000 per year, subject to annual review by the Board of Directors. Mr. White also received a \$10,000 signing bonus. Effective January 1, 2015, Mr. White’s annual base compensation was increased to \$60,000. The White Employment Agreement has a term of five years and entitles Mr. White to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

Effective May 1, 2018, we entered into an employment agreement with Michael D. Newman (the “Newman Employment Agreement”) to serve as our Vice President of Safari Operations. Mr. Newman has been the general manager of Wild Animal – Georgia since February 2011. Pursuant to the Newman Employment Agreement, Mr. Newman received an initial base annual compensation of \$95,000 per year, subject to annual review by the Board of Directors. Mr. Newman also received a \$5,000 signing bonus. The Newman Employment Agreement has a term of

five years and entitles Mr. Newman to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

Each of the foregoing employment agreements contains provisions for severance compensation in the event an agreement is (i) terminated early by the Company without cause or (ii) in the event of a change in control of the Company. After consideration of the subsequent event noted earlier, the aggregate severance compensation in these agreements totals \$365,000.

Stock Option and Award Plan

A Stock Option and Award Plan (the "Plan") providing for incentive stock options and performance bonus awards for executives, employees, and directors was approved by our Board of Directors on February 1, 2005, however, the Plan has not been submitted to the stockholders for approval. The Plan sets aside five million (5,000,000) shares for award of stock options, including qualified incentive stock options and performance stock bonuses. To date, no grants or awards have been made pursuant to the Plan and the Company did not submit the Plan for consideration to the Company's stockholders at the last meeting of stockholders.

ITEM 12. EQUITY COMPENSATION PLAN INFORMATION AND SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information relating to the ownership of common stock by (i) each person known by us to be the beneficial owner of more than five percent of the outstanding shares of our common stock, (ii) each of our directors, (iii) each of our named executive officers, and (iv) all of our executive officers and directors as a group. Unless otherwise indicated, the information relates to these persons, beneficial ownership as of December 7, 2018. Except as may be indicated in the footnotes to the table and subject to applicable community property laws, each person has the sole voting and investment power with respect to the shares owned. The address of each beneficial owner is care of Parks! America, Inc., 1300 Oak Grove Road, Pine Mountain, GA 31822, unless otherwise set forth below that person's name.

Name	Number of Shares Owned	Percent (1)	Title
Dale Van Voorhis	15,650,000	20.9%	Chief Executive Officer and Director
Todd R. White (2)	1,035,350	1.4%	Chief Financial Officer and Director
Charles Kohnen (3)	20,930,000	28.0%	Director
Jeffery Lococo	325,000	0.4%	Secretary and Director
The Estate of James Meikle (4)	791,821	1.1%	
Nicholas Parks	9,110,000	12.2%	
6000 S. Sinclair Road			
Columbia, MO 65203			
Marlton	3,768,179	5.0%	

Wayne, LP

222 W.
Merchandise
Mart Plaza

Suite 1212

Chicago, IL
60554

(1) Based upon shares of common stock issued and outstanding as of December 7, 2018, except that shares of common stock underlying options and warrants exercisable within 60 days of the date hereof are deemed to be outstanding.

(2) 410,350 of the Company's shares owned by Mr. White are held jointly with his spouse.

(3) 14,705,000 of the Company's shares owned by Mr. Kohnen are held jointly with his spouse.

(4) Subsequent to the period covered by this report, on November 28, 2018, Mr. Meikle passed away.

Officers, directors and their controlled entities, as a group, controlled approximately 50.8% of the outstanding common stock of the Company as of December 7, 2018.

The information as to shares beneficially owned has been individually furnished by our respective directors, named executive officers and other stockholders, or taken from documents filed with the SEC.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except as set forth below, none of the following parties has, since our date of incorporation, had any material interest, direct or indirect, in any transaction with the Company or in any presently proposed transaction that has or will materially affect the Company:

Any of our directors or officers;

Any person proposed as a nominee for election as a director;

Any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock;

Any of our promoters; and

Any relative or spouse of any of the foregoing persons who has the same house as such person.

During the Company's 2013, 2014 and 2015 fiscal years, the Company's Board of Directors approved the offer of two of the Company's Directors to loan the Company additional funds to support its seasonal working capital requirements. These loans were made on the same terms and conditions as the LOC with CB&T. Subsequent to July 2015 the Company has made no borrowings from any of its Directors.

Director Independence

Of the members of the Company's Board of Directors, Charles Kohlen and Jeffery Lococo are considered to be independent under the listing standards of the Rules of NASDAQ set forth in the NASDAQ Manual (note, our common shares are not currently listed on NASDAQ or any other national securities exchange, and this reference is used for definitional purposes only).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed by Tama, Budaj & Raab, P.C., Certified Public Accountants (“TBR”), our independent registered public accounting firm, for the audit and quarterly reviews of our financial statements and services that are normally provided by an accountant in connection with statutory and regulatory filings or engagements for the years ended September 30, 2018 and October 1, 2017 were approximately \$37,500 and \$37,000, respectively.

Tax Fees

The aggregate fees billed by TBR, our independent registered public accounting firm, for professional services rendered for tax compliance, tax advice and tax planning for the years ended September 30, 2018 and October 1, 2017 were approximately \$6,000 and \$6,000, respectively.

All Other Fees

Our independent registered public accounting firm billed no other fees for the years ended September 30, 2018 and October 1, 2017.

Audit Committee Pre-Approval Policies and Procedures

The audit committee is required to pre-approve the audit and non-audit services performed by our independent registered public accounting firm in order to assure that the provision of such services do not impair the registered public accounting firm’s independence.

PART IV

ITEM 15. EXHIBITS

3.1Articles of Incorporation of Great American Family Parks, Inc. dated July 17, 2002 (incorporated by reference to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on August 4, 2005).

3.2Amended Articles of Incorporation of Great American Family Parks, Inc. dated January 26, 2004 (incorporated by reference to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on August 4, 2005).

3.3Bylaws of Great American Family Parks, Inc. dated January 30, 2004 (incorporated by reference to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on August 4, 2005).

3.4Great American Family Parks 2005 Stock Option Plan dated February 1, 2005 (incorporated by reference to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on August 4, 2005).

3.5Amended Bylaws of the Company, as of January 17, 2011 (incorporated by reference to the Annual Report on Form 10-KT filed by the Company on December 29, 2011).

3.6Amended Bylaws of the Company as of June 12, 2012 (incorporated by reference to the Report on Form 8-K filed by with the Securities and Exchange Commission on July 16, 2012).

21.1Subsidiaries of the Registrant.

23.1Consent of Tama, Budaj & Raab, PC Certified Public Accountants dated December 14, 2018.

31.1 Certification by Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, promulgated pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification by Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, promulgated pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by Chief Executive Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, promulgated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.1 Certification by Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code, promulgated pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf as of December 14, 2018 by the undersigned, thereunto duly authorized.

PARKS! AMERICA, INC.

By :/s/ *Dale Van Voorhis*

Dale Van Voorhis

Chief Executive Officer and Director

(Principal Executive Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
By: /s/ <i>Dale Van Voorhis</i> Dale Van Voorhis	Chief Executive Officer and Director (Principal Executive Officer)	December 14, 2018
By: /s/ <i>Charles Kohnen</i> Charles Kohnen	Director	December

14, 2018

By: */s/ Jeffery Lococo*

Jeffery Lococo

Secretary and Director

December
14, 2018

By: */s/ Todd R. White*

Todd R. White

Chief Financial Officer and Director

(Principal Financial Officer)

December
14, 2018

ITEM 8

PARKS! AMERICA, INC. and SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of Parks! America and Subsidiaries	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of September 30, 2018 and October 1, 2017	F-3
Consolidated Statements of Operations for the years ended September 30, 2018 and October 1, 2017	F-4
Consolidated Statement of Changes in Stockholders' Equity for the years ended September 30, 2018 and October 1, 2017	F-5
Consolidated Statements of Cash Flows for the years ended September 30, 2018 and October 1, 2017	F-6
Notes to the Consolidated Financial Statements	F-7

F-1

Tama, Budaj & Raab P.C. Certified Public Accountants
Phone (248) 626-3800
32783 Middlebelt Rd
Farmington Hills, MI 48334
www.tbrcpa.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Parks! America, Inc.
Pine Mountain, Georgia

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Parks! America, Inc. and Subsidiaries (“the Company”) as of September 30, 2018 and October 1, 2017, and the related consolidated statements of operations, changes in stockholders’ equity, and cash flows for the years then ended (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2018 and October 1, 2017 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Tama, Budaj & Raab, P.C.

Tama, Budaj & Raab, P.C.

We have served as the Company's auditors since 2015

Farmington Hills, Michigan

December 14, 2018

F-2

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

As of September 30, 2018 and October 1, 2017

	September 30, 2018	October 1, 2017
ASSETS		
Cash	\$ 2,674,260	\$ 3,204,043
Inventory	240,004	157,320
Prepaid expenses	131,856	309,626
Total current assets	3,046,120	3,670,989
Property and equipment, net	6,614,835	6,464,850
Intangible assets, net	1,400	2,200
Deferred tax asset	-	160,355
Other assets	12,050	9,199
Total assets	\$ 9,674,405	\$ 10,307,593
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	\$ 92,237	\$ 137,717
Other current liabilities	219,443	281,155
Current portion of long-term debt, net	195,198	111,496
Total current liabilities	506,878	530,368
Long-term debt, net	1,358,027	2,990,417
Total liabilities	1,864,905	3,520,785
Stockholders' equity		
Common stock; 300,000,000 shares authorized, at \$.001 par value; 74,721,537 and 74,671,537 shares issued and outstanding, respectively	74,721	74,671
Capital in excess of par	4,837,116	4,825,666

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Treasury stock	(3,250)	(3,250)
Retained earnings	2,900,913	1,889,721
Total stockholders' equity	7,809,500	6,786,808
Total liabilities and stockholders' equity	\$ 9,674,405	\$ 10,307,593

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

F-3

PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended September 30, 2018 and October 1, 2017

	For the year ended	
	September 30, 2018	October 1, 2017
Net sales	\$ 5,923,132	\$ 6,164,130
Sale of animals	123,626	74,134
Total net sales	6,046,758	6,238,264
Cost of sales	672,777	607,987
Selling, general and administrative	3,205,334	3,081,628
Depreciation and amortization	425,647	386,065
(Gain) loss on disposal of operating assets, net	32,252	17,745
Income from operations	1,710,748	2,144,839
Other income (expense), net	20,204	91,373
Write-off of loan fees - prepayment	(130,532)	-
Interest expense	(177,828)	(200,258)
Income before income taxes	1,422,592	2,035,954
Income tax provision	411,400	775,300
Net income	\$ 1,011,192	\$ 1,260,654
Income per share - basic and diluted	\$ 0.01	\$ 0.02
Weighted average shares		
outstanding (in 000's) - basic and diluted	74,707	74,645

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

F-4

PARKS! AMERICA, INC. and SUBSIDIARIES**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

For the Years Ended September 30, 2018 and October 1, 2017

	Shares	Amount	Capital in Excess of Par	Treasury Stock	Retained Earnings	Total
Balance at October 2, 2016	74,531,537	\$ 74,531	\$ 4,809,606	\$ (3,250)	\$ 629,067	\$ 5,509,954
Issuance of common stock to Directors	150,000	150	16,050	-	-	16,200
Common stock returned to the Company in conjunction with a legal settlement	(10,000)	(10)	10	-	-	-
Net income for the year ended October 1, 2017	-	-	-	-	1,260,654	1,260,654
Balance at October 1, 2017	74,671,537	74,671	4,825,666	(3,250)	1,889,721	6,786,808
Issuance of common stock to Directors	50,000	50	11,450	-	-	11,500
Net income for the year ended September 30, 2018	-	-	-	-	1,011,192	1,011,192
Balance at September 30, 2018	74,721,537	\$ 74,721	\$ 4,837,116	\$ (3,250)	\$ 2,900,913	\$ 7,809,500

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

F-5

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

For the Years Ended September 30, 2018 and October 1, 2017

	For the year ended	
	September 30, 2018	October 1, 2017
OPERATING ACTIVITIES:		
Net income	\$ 1,011,192	\$ 1,260,654
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization expense	425,647	386,065
Interest expense - loan fee amortization	7,871	10,409
Write-off of loan fees - prepayment	130,532	-
(Gain) loss on disposal of assets	32,252	17,745
Stock-based compensation	11,500	16,200
Deferred taxes	160,355	616,769
Changes in assets and liabilities		
(Increase) decrease in inventory	(82,684)	(49,747)
(Increase) decrease in prepaid expenses	177,770	(221,866)
Increase (decrease) in accounts payable	(45,480)	113,611
Increase (decrease) in other current liabilities	(61,712)	49,763
Increase (decrease) in accrued judgment award	-	(372,416)
Net cash provided by operating activities	1,767,243	1,827,187
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(612,273)	(438,352)
Proceeds from the disposition of property and equipment	2,338	2,690
(Increase) decrease in restricted cash	-	456,492
Net cash provided by (used in) investing activities	(609,935)	20,830
FINANCING ACTIVITIES:		
Pay-off of 2013 Refinancing Loan	(2,848,165)	-

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Proceeds from 2018 Term Loan	1,600,000	-
Capitalization of 2018 Term Loan Fees	(15,680)	-
Payments on notes payable	(423,246)	(126,751)
Net cash used in financing activities	(1,687,091)	(126,751)
Net increase (decrease) in cash	(529,783)	1,721,266
Cash at beginning of period	3,204,043	1,482,777
Cash at end of period	\$ 2,674,260	\$ 3,204,043
Supplemental Cash Flow Information:		
Cash paid for interest	\$ 168,032	\$ 189,378
Cash paid for income taxes	\$ 336,743	\$ 142,270

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

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

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, typically beginning in the latter half of March through early September. On a combined basis, net sales for the third and fourth quarter of the last two fiscal years represented approximately 64% to 68% of annual net sales.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Company's consolidated financial statements 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.

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-company accounts and transactions have been eliminated in consolidation.

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

Estimates and Assumptions: Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. 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.

Fiscal Year End: The Company's fiscal year-end is the Sunday closest to September 30, and its quarterly close dates are also determined by the Sunday closest to the end of each quarterly reporting period. For the 2018 fiscal year, September 30 was the closest Sunday, and for the 2017 fiscal year, October 1 was the closest Sunday. Both fiscal years were comprised of 52-weeks. This fiscal calendar aligns 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.

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

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Trade Accounts Receivable: The theme parks are a payment upfront business; therefore, the Company typically carries little or no accounts receivable. The Company had no accounts receivable as of September 30, 2018 and October 1, 2017, respectively.

Inventory: Inventory consists of gift shop items, animal food, and concession and 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.

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 three to thirty-nine years. A summary is included below.

	September 30, 2018	October 1, 2017	Depreciable Lives
Land	\$ 2,507,180	\$ 2,507,180	not applicable
Ground improvements	1,024,654	935,904	7-25 years
Buildings and structures	2,894,508	2,891,668	10-39 years
Animal shelters and habitats	1,415,894	1,330,653	10-39 years
Park animals	951,815	741,894	5-10 years
Equipment - concession and related	216,003	209,665	3-15 years
Equipment and vehicles - yard and field	602,724	541,703	3-15 years
Vehicles - buses and rental	230,647	200,764	3-5 years

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Rides and entertainment	207,666	180,466	5-7 years
Furniture and fixtures	60,485	60,485	5-10 years
Projects in process	27,962	-	
Property and equipment, cost	10,139,538	9,600,382	
Less accumulated depreciation	(3,524,703)	(3,135,532)	
Property and equipment, net	\$ 6,614,835	\$ 6,464,850	

Intangible assets: Intangible assets consist of franchising fees, which are reported at cost and are being amortized over a period of 60 months.

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.

Other Current Liabilities: The following is a breakdown of other current liabilities:

	September 30, 2018	October 1, 2017
Deferred revenue	\$ 53,985	\$ 47,607
Accrued property taxes	38,039	37,557
Accrued sales taxes	35,277	32,865
Accrued wages and payroll taxes	15,503	22,644
Accrued income taxes	4,700	62,650
Other accrued liabilities	71,939	77,832
Other current liabilities	\$ 219,443	\$ 281,155

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as of the balance sheet date presented.

Revenue Recognition: The Company's major source of income is from theme park admissions. Theme park revenues from admission fees are generally recognized upon receipt of payment at the time of the customers' visit to the parks. Theme park revenues from advance online ticket purchases are deferred until the customers' visit to the parks. Short-term seasonal passes are sold primarily during the spring and summer seasons, are negligible to our results of operations and are not material. The Company periodically sells surplus animals created from the natural breeding process that occurs within the parks. All animal sales are reported as a separate revenue line item.

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

Stock Based Compensation: The Company recognizes stock based compensation costs on a straight-line basis over the requisite service period associated with the grant. 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. Each Director is typically granted 25,000 restricted shares annually, usually toward the end of the calendar year.

Income Taxes: The Company utilizes the asset and liability method of accounting for income taxes, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting basis and the tax basis of the assets and liabilities, and are measured using the enacted tax rates and laws. Management periodically reviews the Company's deferred tax assets to determine whether their value can be realized based on available evidence. A valuation allowance is established when

management believes it is more likely than not, that such tax benefits will not be realized. Changes in valuation allowances from period to period are included in the Company's income tax provision in the period of change.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted into federal law, which includes significant changes to the U.S. corporate federal tax code. Among other changes, the Tax Act lowered the U.S. statutory corporate federal income tax rate from 35.0% to 21.0%. As the Company's 2018 fiscal year end fell on September 30, the U.S. statutory federal income tax rate for its 2018 fiscal year is a blended rate of 24.5%, with the statutory rate of 21.0% applicable for its fiscal years beginning with 2019. See "NOTE 8. INCOME TAXES" for additional information.

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 applicable weighted average number of common shares outstanding in each period.

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

Recent Accounting Pronouncements: The Company does not expect recently issued accounting standards or interpretations to have a material impact on the Company's financial position, results of operations, cash flows or financial statement disclosures.

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

NOTE 3. RESTRICTED CASH

As more fully described in “NOTE 9. COMMITMENTS AND CONTINGENCIES” herein, on November 8, 2016, the Company paid out \$372,416 of restricted cash, which had been supported by a bank letter of credit totaling \$456,492, as a final resolution of a legal judgment and settlement. As a result, the balance of the bank letter of credit, net of fees, was no longer restricted and on November 17, 2016 approximately \$79,300 was returned to the Company as unrestricted funds.

NOTE 4. LONG-TERM DEBT

On July 11, 2018, the Company, through its wholly owned subsidiary Wild Animal – Georgia, completed a refinancing transaction (the “2018 Refinancing”) with Synovus Bank (“Synovus”). The 2018 Refinancing included a term loan in the original principal amount of \$1,600,000 (the “2018 Term Loan”). The 2018 Term Loan bears interest at a rate of 5.0% per annum and is payable in monthly payments of approximately \$22,672, based on a seven year amortization period. The 2018 Term Loan has a maturity date of June 11, 2021, with an option to renew at 5.0% per annum for an additional 49 month term. The 2018 Term Loan is secured by a security deed on the assets of Wild Animal – Georgia. The Company used the proceeds of the 2018 Term Loan, along with available cash of approximately \$1,248,165, to refinance the then outstanding balance of the 2013 Refinancing Loan. The Company paid a total of approximately \$15,680 in fees and expenses in connection with the 2018 Refinancing. In addition to the pay-off of the 2013 Refinancing Loan in July 2018, on December 13, 2017 the Company made a \$300,000 partial prepayment of this loan. As a result of prepayments against the 2013 Refinancing Loan, the Company wrote-off a total of \$130,532 of related deferred financing fees during its 2018 fiscal year.

On January 9, 2013, the Company completed a refinancing transaction (the “2013 Refinancing Loan”) with Synovus, f/k/a Commercial Bank & Trust Company of Troup County as lender. The 2013 Refinancing Loan was for a principal amount of \$3,752,000 and has a 20-year term. The 2013 Refinancing Loan is secured by substantially all the assets of the Company and its wholly owned subsidiaries. The 2013 Refinancing Loan bears interest at the rate of Prime Rate plus 2.50%, resulting in a rate of 5.75% during the first five years of the loan term. Thereafter, the interest rate will be re-priced every five years based on the then-Prime Rate plus 2.50%, as a result the interest rate was reset to 7.00% effective January 9, 2018, with the minimum required monthly payment reset to approximately \$25,800 for the subsequent five years. The closing costs for the 2013 Refinancing Loan totaled \$175,369.

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Interest expense of \$177,828 and \$200,258 for the year ended September 30, 2018 and October 1, 2017, respectively, includes \$7,871 and \$10,409, respectively, of amortization of debt closing costs in each period.

	As of	
	September 30, 2018	October 1, 2017
Term loan principal outstanding	\$ 1,568,345	\$ 3,239,756
Less: unamortized debt closing costs	(15,120)	(137,843)
Gross long-term debt	1,553,225	3,101,913
Less current portion of long-term debt, net of unamortized debt closing costs	(195,198)	(111,496)
Long-term debt	\$ 1,358,027	\$ 2,990,417

As of September 30, 2018, the scheduled future principal maturities, by fiscal year, are as follows:

2019	\$ 197,438
2020	207,539
2021	218,157
2022	229,318
2023	241,051
thereafter	474,842
Total	\$ 1,568,345

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

NOTE 5. LINE OF CREDIT

On July 11, 2018, the Company, through its wholly owned subsidiary Wild Animal – Georgia completed a refinancing transaction the 2018 Refinancing with Synovus. The 2018 Refinancing includes a line of credit of up to \$350,000 (the “2018 LOC”). The 2018 LOC bears interest at a rate of 4.75% and interest only payments are due monthly. The 2018 LOC is secured by a security deed on the assets of Wild Animal – Georgia. The 2018 LOC matures on July 11, 2021, with an option to renew for an additional three-year term. If necessary, the Company will utilize the 2018 LOC to fund seasonal working capital needs.

Prior to July 11, 2018, the Company maintained a \$350,000 line of credit loan (the “LOC”) from CB&T for working capital purposes. This LOC had an interest rate is tied to the prime rate and was 7.00% as of July 1, 2018, with a minimum rate of 5.25%.

As of September 30, 2018 and October 1, 2017, respectively, there was no outstanding balance against either of the Company’s LOCs. When applicable, any advance on a Company LOC is recorded as a current liability.

NOTE 6. STOCKHOLDERS’ EQUITY

Shares of common stock issued for service to the Company are valued based on market price on the date of issuance.

On December 20, 2017, the Company declared its annual award to five Directors for their service on the Board of Directors. Each director was awarded 25,000 shares at \$0.230 per share or the cash equivalent of \$5,750. Three directors elected to receive their award in cash and two directors elected to receive shares of the Company’s common stock. The total award cost of \$28,750 was reported as an expense in the first quarter of the 2018 fiscal year, and the Company subsequently distributed each award on January 9, 2018.

On December 20, 2016, the Company awarded a total of 150,000 shares of its common stock to six Directors for their service on the Board of Directors at a fair market value of \$0.108 per share or \$16,200, which was reported as an expense in the first quarter of the 2017 fiscal year.

Officers, Directors and their controlled entities own approximately 50.8% of the outstanding common stock of the Company as of September 30, 2018.

NOTE 7. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Employment Agreements:

Effective June 1, 2009, the Company entered into an employment agreement with Dale Van Voorhis (the “2009 Van Voorhis Employment Agreement”) to serve as the Company’s Chief Operating Officer. Effective January 27, 2011, Mr. Van Voorhis was appointed as the Company’s Chief Executive Officer. Effective June 1, 2018, the Company and Mr. Van Voorhis entered into the “2018 Van Voorhis Employment Agreement”. Pursuant to the 2018 Van Voorhis Employment Agreement, Mr. Van Voorhis receives an initial base annual compensation in the amount of \$90,000 per year, subject to annual review by the Board of Directors. The 2018 Van Voorhis Employment Agreement has a term of two years and entitles Mr. Van Voorhis to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

On April 1, 2008, the Company entered into an employment agreement with James Meikle (the “2008 Meikle Employment Agreement”) pursuant to which Mr. Meikle was hired to serve as the President and Chief Executive Officer of each of the Company’s wholly owned subsidiaries. Effective January 27, 2011, Mr. Meikle was appointed as the Company’s Chief Operating Officer. Effective April 1, 2017, the Company and Mr. Meikle entered into the “2017 Meikle Employment Agreement”. Pursuant to the 2017 Meikle Employment Agreement, Mr. Meikle receives an initial base annual compensation in the amount of \$135,000 per year, subject to annual review by the Board of Directors. The 2017 Meikle Employment Agreement has a term of two years and entitles Mr. Meikle to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company. Subsequent to the period covered by this report, on November 28, 2018, Mr. Meikle passed away.

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

Effective January 1, 2014, the Company entered into an employment agreement with Todd R. White (the “White Employment Agreement”) to serve as the Company’s Chief Financial Officer. Pursuant to the White Employment Agreement, Mr. White received an initial base annual compensation of \$50,000 per year, subject to annual review by the Board of Directors. Mr. White also received a \$10,000 signing bonus. Effective January 1, 2015, Mr. White’s annual base compensation was increased to \$60,000. The White Employment Agreement has a term of five years and entitles Mr. White to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

Effective May 1, 2018, the Company entered into an employment agreement with Michael D. Newman (the “Newman Employment Agreement”) to serve as the Company’s Vice President of Safari Operations. Mr. Newman has been the general manager of Wild Animal – Georgia since February 2011. Pursuant to the Newman Employment Agreement, Mr. Newman received an initial base annual compensation of \$95,000 per year, subject to annual review by the Board of Directors. Mr. Newman also received a \$5,000 signing bonus. The Newman Employment Agreement has a term of five years and entitles Mr. Newman to participate in any deferred compensation plan the Company may adopt during the term of his employment with the Company.

Each of the foregoing employment agreements contains provisions for severance compensation in the event an agreement is (i) terminated early by the Company without cause or (ii) in the event of a change in control of the Company. After consideration of the subsequent event noted earlier, the aggregate severance compensation in these agreements totals \$365,000.

NOTE 8. INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) was enacted into federal law, which includes significant changes to the U.S. corporate federal tax code. Among other changes, the Tax Act lowered the U.S. statutory corporate federal income tax rate from 35.0% to 21.0% effective January 1, 2018. As the Company’s 2018 fiscal year end fell on September 30, the U.S. statutory federal income tax rate for its 2018 fiscal year will be a blended rate of 24.5%, with the statutory rate of 21.0% applicable for its fiscal years beginning with 2019.

The provision for income tax consists of the following:

	For the year ended	
	September 30, 2018	October 1, 2017
Federal	\$ 346,300	\$ 649,700
State	65,100	125,600
Total tax provision	\$ 411,400	\$ 775,300

For the year ended September 30, 2018, the Company reported a pre-tax profit of \$1,422,592 and utilized its remaining Federal net operating loss carry-forward to offset a portion of its Federal tax liability. The Company's provision for Federal income tax consists of the following:

	For the year ended	
	September 30, 2018	October 1, 2017
Federal income tax benefit attributable to:		
Current operations	\$ 348,535	\$ 662,104
State tax benefit	(15,950)	(42,704)
Deferred tax adjustments	66,855	-
Alternative minimum tax credit	(48,000)	-
Alternative minimum tax	-	30,300
Other	(5,140)	-
Net provision for Federal income taxes	\$ 346,300	\$ 649,700

PARKS! AMERICA, INC. and SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

As of October 1, 2017, the Company had a net deferred tax asset of \$160,355, primarily associated with its remaining cumulative federal net operating loss carry-forward. For the year ended September 30, 2018, the Company recognized a one-time net deferred tax charge of \$66,855, of which \$36,595 was associated with the revaluation of its net deferred tax liability at its 2018 fiscal year blended federal income tax rate. The remaining net deferred tax charge of \$30,260 was associated with a reassessment of the Company's remaining cumulative federal net operating loss carry-forward. The Company's remaining net deferred tax asset of \$93,500 was utilized to offset a portion of the regular federal tax due for its 2018 fiscal year. In addition, during its 2018 fiscal year, the Company recognized approximately \$48,000 of credits associated with federal alternative minimum taxes paid in previous years. As of September 30, 2018, the Company has utilized all of its federal net tax operating loss carry-forwards.

For the fiscal years ended September 30, 2018 and October 1, 2017, the Company recorded a provision for State of Georgia income taxes of \$65,100 and \$125,600, respectively.

NOTE 9. COMMITMENTS AND CONTINGENCIES

As of March 30, 2017, the Company entered into a settlement and release agreement (the "Eastland Settlement Agreement") with Larry Eastland, the Company's former President and CEO thereby bringing to a close litigation commenced by the Company in September of 2009 and identified as Parks! America, Inc. vs. Eastland; et al., Case No. 09-A-599668 in the Eighth Judicial District Court of the State of Nevada. Prior to that, in November of 2016, the Company reached a settlement with Stanley Harper and Computer Contact Service, Inc., an entity controlled by Mr. Harper (together the "Harper Defendants") who were also defendants in that case. As a result, this litigation is terminated. The Harper Defendants received \$372,416, inclusive of additional attorney's fees, costs and interest (the "Harper Judgment Award"), which was paid on November 8, 2016. The Eastland Defendants agreed to make a settlement payment to the Company of \$80,000 and assign 10,000 shares of the Company's common stock, beneficially owned by one of the Eastland Defendants, to the Company (the "Settlement Shares"). Furthermore, the Company consented to the sale of 10,010,000 shares of common stock beneficially owned by the Eastland Defendants to Nicholas Parks (the "NP Transaction"). On April 20, 2017, the Company received the \$80,000 settlement payment and the Settlement Shares. A Stipulation and Order to Dismiss the Litigation with Prejudice was filed on April 24, 2017. As part of the NP Transaction, the Company entered into a Settlement Agreement and Release with Nicholas Parks, dated as of March 30, 2017 (the "NP Settlement Agreement"). As a result of the NP Transaction and subsequent activity, as of September 30, 2018, based on recent filings with the SEC, Nicholas Parks holds shares representing approximately 12.2% of the outstanding common stock of the Company.

Except as described above, the Company is not a party to any pending legal proceeding, nor is its property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of its business. None of the Company's directors, officers or affiliates is involved in a proceeding adverse to its business or has a material interest adverse to its business.

F-13

PARKS! AMERICA, INC. and SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2018

NOTE 10. BUSINESS SEGMENTS

The Company manages its operations on an individual location basis. Discrete financial information is maintained for each Park and provided to corporate management for review and as a basis for decision-making. The primary performance measures used to allocate resources are Park earnings before interest and tax expense, and free cash flow.

The following tables present financial information regarding each of the Company's reportable segments:

	For the year ended	
	September 30, 2018	October 1, 2017
Total net sales:		
Georgia	\$ 5,123,550	\$ 5,217,975
Missouri	923,208	1,020,289
Consolidated	\$ 6,046,758	\$ 6,238,264
Income (loss) before income taxes:		
Georgia	\$ 2,442,849	\$ 2,932,356
Missouri	(144,358)	(56,831)
Segment total	2,298,491	2,875,525
Corporate	(587,743)	(730,686)
Other income (expense), net	20,204	91,373
Write-off of loan fees - prepayment	(130,532)	-
Interest expense	(177,828)	(200,258)
Consolidated	\$ 1,422,592	\$ 2,035,954
Depreciation and amortization:		
Georgia	\$ 223,729	\$ 203,808

Edgar Filing: PARKS AMERICA, INC - Form 10-K

Missouri	201,918	182,257
Corporate	7,871	10,409
Consolidated	\$ 433,518	\$ 396,474

Capital expenditures

Georgia	\$ 237,185	\$ 269,458
Missouri	375,088	168,894
Consolidated	\$ 612,273	\$ 438,352

	As of	
	September 30, 2018	October 1, 2017
Total assets:		
Georgia	\$ 6,770,655	\$ 7,206,865
Missouri	2,763,961	2,714,869
Corporate	139,789	385,859
Consolidated	\$ 9,674,405	\$ 10,307,593

NOTE 11. SUBSEQUENT EVENTS

In accordance with ASC 855-10, except as noted in “NOTE 7. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES”, the Company has analyzed its operations subsequent to September 30, 2018 to the date these financial statements were issued and has determined that it does not have any material subsequent events to disclose in these consolidated financial statements.