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

Form 10-Q

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

For the quarterly period ended January 2, 2022

COMMISSION FILE NUMBER 000-51254

Parks! America, Inc.
(Exact Name of small business issuer as specified in its charter)

Nevada	**91-0626756**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1300 Oak Grove Road
Pine Mountain, GA 31822
(Address of principal executive offices) (Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "*large accelerated filer*", "*accelerated filer*" and "*smaller reporting company*" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐		Accelerated filer	☐
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of February 7, 2022, the issuer had 75,124,087 outstanding shares of Common Stock.

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PRKA	OTCPink

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PARKS! AMERICA, INC and SUBSIDIARIES

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PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
As of January 2, 2022 and October 3, 2021

	January 2, 2022	October 3, 2021
ASSETS		
Cash	$ 5,875,181	$ 6,654,348
Accounts receivable	6,810	4,469
Inventory	460,691	314,103
Prepaid expenses	324,173	175,248
Total current assets	6,666,855	7,148,168
Property and equipment, net	13,904,735	13,806,868
Right of use asset, net	309,661	-
Intangible assets, net	10,691	10,966
Other assets	15,974	15,974
Total assets	$ 20,907,916	$ 20,981,976
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	$ 304,845	$ 221,414
Other current liabilities	662,148	531,347
Current portion of finance lease obligation	155,836	-
Current portion of long-term debt, net	707,639	699,483
Total current liabilities	1,830,468	1,452,244
Long-term portion of finance lease obligation	149,804	-
Long-term debt, net	4,780,032	4,960,180
Total liabilities	6,760,304	6,412,424
Stockholders' equity		
Common stock; 300,000,000 shares authorized, at $.001 par value; 75,124,087 and 75,124,087 shares issued and outstanding, respectively	75,124	75,124
Capital in excess of par	4,934,212	4,934,212
Treasury stock	(3,250)	(3,250)
Retained earnings	9,141,526	9,563,466
Total stockholders' equity	14,147,612	14,569,552
Total liabilities and stockholders' equity	$ 20,907,916	$ 20,981,976

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

PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
For the Three Months Ended January 2, 2022 and January 3, 2021

	For the three months ended	
	January 2, 2022	January 3, 2021
Net sales	$ 1,942,051	$ 2,155,475
Sale of animals	2,707	71,724
Total net sales	1,944,758	2,227,199
Cost of sales	283,036	259,995
Selling, general and administrative	1,976,797	1,399,845
Depreciation and amortization	193,075	167,200
(Gain) loss on disposal of operating assets	(18,000)	4,675
(Loss) income from operations	(490,150)	395,484
Other income, net	26,906	14,564
Interest expense	(68,896)	(91,413)
(Loss) income before income taxes	(532,140)	318,635
Income tax (benefit) provision	(110,200)	90,700
Net (loss) income	$ (421,940)	$ 227,935
(Loss) income per share - basic and diluted	$ (0.01)	$ 0.00
Weighted average shares outstanding (in 000’s) - basic and diluted	75,124	75,021

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

PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
For the Three Months Ended January 2, 2022 and January 3, 2021

	Shares	Amount	Capital in Excess of Par	Treasury Stock	Retained Earnings	Total
Balance at October 3, 2021	75,124,087	$ 75,124	$ 4,934,212	$ (3,250)	$ 9,563,466	$ 14,569,552
Net loss for the three months ended January 2, 2022	-	-	-	-	(421,940)	(421,940)
Balance at January 2, 2022	75,124,087	$ 75,124	$ 4,934,212	$ (3,250)	$ 9,141,526	$ 14,147,612

	Shares	Amount	Capital in Excess of Par	Treasury Stock	Retained Earnings	Total
Balance at September 27, 2020	75,021,537	$ 75,021	$ 4,889,316	$ (3,250)	$ 6,764,920	$ 11,726,007
Net income for the three months ended January 3, 2021	-	-	-	-	227,935	227,935
Balance at January 3, 2021	75,021,537	$ 75,021	$ 4,889,316	$ (3,250)	$ 6,992,855	$ 11,953,942

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

PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the Three Months Ended January 2, 2022 and January 3, 2021

	For the three months ended	
	January 2, 2022	January 3, 2021
OPERATING ACTIVITIES:		
Net (loss) income	$ (421,940)	$ 227,935
Reconciliation of net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	193,075	167,200
Amortization of right of use asset	154,831	-
Interest expense - debt financing cost amortization	1,472	1,978
Interest expense - financing lease	2,011	-
Interest expense - loan discount amortization	-	4,640
(Gain) loss on disposal of assets	(18,000)	4,675
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(2,341)	-
(Increase) decrease in inventory	(146,588)	(98,740)
(Increase) decrease in prepaid expenses	(148,925)	(46,838)
Increase (decrease) in accounts payable	83,431	(33,043)
Increase (decrease) in other current liabilities	130,801	165,549
Net cash (used in) provided by operating activities	(172,173)	393,356
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(290,667)	(245,365)
Proceeds from the disposition of property and equipment	18,000	15,434
Net cash used in investing activities	(272,667)	(229,931)
FINANCING ACTIVITIES:		
Payments on 2020 Term Loan	(111,742)	-
Payments on 2021 Term Loan	(61,722)	-
Principal payments on finance lease obligation	(160,863)	-
Payments on 2018 Term Loan	-	(53,519)
Net cash used in financing activities	(334,327)	(53,519)
Net (decrease) increase in cash	(779,167)	109,906
Cash at beginning of period	6,654,348	5,505,716
Cash at end of period	$ 5,875,181	$ 5,615,622
Supplemental Cash Flow Information:		
Cash paid for interest	$ 67,623	$ 99,743
Cash paid for income taxes	$ -	$ -
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Right of use asset obtained in exchange for lease liability	$ 464,492	$ -

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

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 three 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"), Wild Animal, Inc., a Missouri corporation ("Wild Animal – Missouri"), and Aggieland-Parks, Inc., a Texas corporation ("Aggieland Wild Animal – Texas"). 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"). Aggieland Wild Animal – Texas owns and operates the Aggieland Wild Animal Safari theme park near Bryan/College Station, Texas (the "Texas Park"). The Company acquired the Georgia Park on June 13, 2005, the Missouri Park on March 5, 2008, and the Texas Park on April 27, 2020.

The Company's Parks are open year round, but experience increased seasonal attendance, typically beginning in the latter half of March through early September. As a result, combined third and fourth quarter net sales have historically ranged from 68% to 72% of annual attendance based net sales. For the Company's 2021 fiscal year, the first full year including Aggieland Safari, combined third and fourth quarter net sales were approximately 60% of annual attendance based net sales.

COVID-19

In March 2020, the World Health Organization characterized COVID-19, a disease caused by a novel strain of a coronavirus, as a pandemic. The rapid spread of COVID-19 has resulted in governmental authorities throughout the United States implementing a variety of containment measures with the objective of slowing the spread of the virus, including travel restrictions, shelter-in-place orders and business shutdowns. The COVID-19 pandemic and these containment measures have had, and could continue to have, a material impact on the Company's business.

The rapid acceleration of the COVID-19 pandemic in the United States occurred at the beginning of the Company's 2020 fiscal year annual high season. Effective April 3, 2020, the Company's Georgia and Missouri Parks were closed as a result of shelter-in-place mandates. Also note that prior to the acquisition of the Texas Park, its operations were suspended for the majority of April 2020 due to a shelter-in-place. In compliance with respective state issued guidelines, the Georgia Park and the Texas Park each reopened on May 1, 2020, and the Missouri Park reopened on May 4, 2020. Subsequent to reopening, attendance levels were strong at each of the Company's three Parks for the balance of its 2020 fiscal year, which continued throughout its 2021 fiscal year in comparison to comparable pre-COVID-19 periods. While attendance based net sales remain strong versus the comparable pre-COVID-19 periods, the Company experienced a decline in attendance based net sales and attendance for the last 22 weeks of its 2021 fiscal year and for the first 17 weeks of its 2022 fiscal year, in comparison to comparable prior year periods, respectively.

While the Company has experienced attendance gains and strong cash flow since the beginning of the COVID-19 pandemic, there may be longer-term negative impacts to the Company's business, results of operations and cash flows, and financial condition as a result of the COVID-19 pandemic. These negative impacts may include changes in customer behavior and preferences causing significant volatility or reductions in Park attendance, increases in operating expenses to comply with additional hygiene-related protocols, limitations in the Company's ability to recruit and maintain staffing, limitations on the Company's employees ability to work and travel, and significant changes in the economic or political conditions in the areas the Company's Parks are located. Despite the Company's efforts to manage these potential impacts, the ultimate impact may be material, and will depend on a number of factors beyond its control, including the duration and severity of the COVID-19 pandemic and actions by governmental authorities taken to contain its spread and mitigate its public health effects. There is also the potential for attendance levels at the Company's Parks to moderate or decline as alternative entertainment venues reopen to full capacity once the COVID-19 pandemic has run its course or vaccines are widely adopted and proven effective.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Company's unaudited consolidated financial statements for the three months ended January 2, 2022 and January 3, 2021 are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim information and with instructions to Form 10-Q and Article 10 of Regulation S-X. 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. Interim results are not necessarily indicative of the results for a full fiscal year. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 2021.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries (Wild Animal – Georgia, Wild Animal – Missouri and Aggieland Wild Animal – Texas). 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 2022 fiscal year, October 2 will be the closest Sunday, and for the 2021 fiscal year, October 3 was the closest Sunday. The 2022 fiscal year will be comprised of 52-weeks, while the 2021 fiscal year was comprised of 53-weeks. This fiscal calendar aligns the Company's fiscal periods 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.

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 $6,810 and $4,469 of accounts receivable as of January 2, 2022 and October 3, 2021, respectively.

Inventory: Inventory consists of gift shop items, animal food, and concession and park supplies, and is stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method. The gross profit method is used to determine the change in gift shop inventory for interim periods. Inventories are reviewed and reconciled annually, because inventory levels turn over rapidly. The Company had inventory of $460,691 and $314,103 as of January 2, 2022 and October 3, 2021, respectively.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

	January 2, 2022	October 3, 2021	Depreciable Lives
Land	$ 6,389,470	$ 6,389,470	not applicable
Mineral rights	276,000	276,000	25 years
Ground improvements	2,637,050	2,637,050	7-25 years
Buildings and structures	3,827,827	3,827,827	10-39 years
Animal shelters and habitats	2,282,575	2,282,575	10-39 years
Park animals	1,143,133	1,143,133	5-25 years
Equipment - concession and related	349,849	349,849	3-15 years
Equipment and vehicles - yard and field	607,347	607,347	3-15 years
Vehicles - buses and rental	213,951	213,951	3-5 years
Rides and entertainment	185,287	228,009	5-7 years
Furniture and fixtures	28,694	28,694	5-10 years
Projects in process	417,423	126,755	
Property and equipment, cost	18,358,606	18,110,660	
Less accumulated depreciation	(4,453,871)	(4,303,792)	
Property and equipment, net	$ 13,904,735	$ 13,806,868	

Depreciation expense for the three months ended January 2, 2022 and January 3, 2021 totaled $193,075 and $167,200, respectively.

Intangible Assets: Intangible assets consist of tradename registrations, which are reported at cost and are being amortized over a period of 15 years.

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:

	January 2, 2022	October 3, 2021
Deferred revenue	$ 257,830	$ 242,318
Accrued wages and payroll taxes	241,904	81,160
Accrued sales taxes	55,124	64,396
Accrued property taxes	13,849	47,517
Other accrued liabilities	93,441	95,956
Other current liabilities	$ 662,148	$ 531,347

Financial Instruments: The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short-term maturities or due to the fact they were entered into during the Company's 2021 and 2020 fiscal years. Securities that are publicly traded are valued at their fair market value as of the balance sheet date presented.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition: The Company recognizes revenues in accordance with ASC 606, *Revenues from Contracts with Customers*. Under ASC 606, the Company recognizes revenue when a customer obtains control of promised goods or services, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocation the transaction price to the performance obligation in the contract; and (5) recognize revenue when (or as) the Company satisfies the performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Revenues from park admission fees are recognized at the point in time control transfers to the customer, which is generally when the customer accepts access to the park and the Company is entitled to payment. Park admission fee revenues from advance online ticket purchases are deferred until the customers' visit to the parks. Revenues from retail and concession sales are generally recognized upon the concurrent receipt of payment and delivery of goods to the customer. Sales taxes billed and collected are not included in revenue.

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. Animal sales are recognized at a point in time when control transfer to the customer, which is generally determined when title, ownership and risk of loss pass to the customer, all of which generally occurs upon delivery of the animal. Based on the Company's assessment of control indicators, sales are recognized when animals are delivered to the customer.

The Company provides disaggregation of revenue based on geography in "NOTE 10: BUSINESS SEGMENTS", as it believes this best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Deferred revenues from advance online admission tickets were $257,830 and $242,318 as of January 2, 2022 and October 3, 2021, respectively, and are included within Other Current Liabilities in the accompanying consolidated balance sheets.

Advertising and Marketing Costs: The Company expenses advertising and marketing costs as incurred. Advertising and marketing expense for the three months ended January 2, 2022 and January 3, 2021 totaled $306,471 and $212,145, respectively.

Leases: The Company determines if an arrangement contains a lease at inception and accounts for all leases in accordance with ASC 842, *Leases*. If an arrangement contains a lease, the Company performs a classification test to determine if the lease is an operating lease or a financing lease. Right of use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Right of use assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Right of use assets are amortized over the lease term. Lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term. The discount rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, unless the rate implicit in the lease is readily determinable. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease, unless management believes there is an alternative systematic basis which better represents the pattern which the Company will consume the economic benefits thereof and is included within general and administrative expenses. As a practical expedient, a relief provided in the accounting standard to simplify compliance, the Company does not recognize right-of-use assets and lease liabilities for leases with an original term of one year or less. Any non-lease components are not included within the lease right-of-use asset and lease liability, are reflected as an expense in the period incurred.

Paycheck Protection Program Loan Accounting Policy: Currently, there is no authoritative guidance under GAAP that addresses accounting and reporting by a for-profit business entity that receives forgivable debt from a government entity. Accordingly, management has elected to recognize forgivable debt received from a government entity as debt until debt extinguishment occurs when the Company is legally released from being the obligor. Upon legal release as obligor, the Company will recognize the forgiven amount as income.

Stock Based Compensation: The Company recognizes stock based compensation costs on a straight-line basis over the requisite service period associated with the grant. 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. The Company typically awards its annual Director compensation around the end of each calendar year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the Company's 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 its last meeting of stockholders.

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.

The Company follows the guidance in FASB ASC 740 with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is "more-likely-than-not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than fifty percent likely of being realized on examination. For tax positions not meeting the "more-likely-than-not" test, no tax benefit is recorded. The Company has no unrecognized tax benefits under guidance related to tax uncertainties. The Company does not anticipate the unrecognized tax benefits will significantly change in the next twelve months. Any tax penalties or interest expense will be recognized in income tax expense. No interest and penalties related to unrecognized tax benefits were accrued as of January 2, 2022 or October 3, 2021.

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.

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:

Credit Losses – Financial Instruments

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which changes the impairment model for most financial assets to require measurement and recognition of expected credit losses for financial assets held, replacing the existing incurred loss model. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022, including interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements and related disclosures, however, it is not anticipated to be material.

Except as noted, 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.

NOTE 3. LONG-TERM DEBT

On June 18, 2021, the Company, through its wholly owned subsidiary Wild Animal – Georgia, completed a refinancing transaction (the “2021 Refinancing”) with Synovus Bank (“Synovus”). The 2021 Refinancing included a term loan in the original principal amount of $1.95 million (the “2021 Term Loan”). The 2021 Term Loan bears interest at a rate of 3.75% per annum and is payable in monthly installments of approximately $26,480, based on a seven-year amortization period. The 2021 Term Loan has a maturity date of June 18, 2028. The 2021 Term Loan is secured by a security deed on the assets of Wild Animal – Georgia. The Company paid a total of approximately $1,514 in fees and expenses in connection with the 2021 Refinancing. The outstanding balance of the 2021 Term Loan was $1.83 million as of January 2, 2022.

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 included a term loan in the original principal amount of $1.6 million (the “2018 Term Loan”). The 2018 Term Loan had an interest rate of 5.0% per annum and was payable in monthly payments of approximately $22,672, based on a seven-year amortization period. The 2018 Term Loan had 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 was secured by a security deed on the assets of Wild Animal – Georgia. The Company paid a total of approximately $15,680 in fees and expenses in connection with the 2018 Refinancing. The 2021 Term Loan replaced the Company’s 2018 Term Loan with Synovus, which had an outstanding balance of $1.02 million, which was paid off with the proceeds of the 2021 Term Loan.

On April 27, 2020, the Company acquired Aggieland Wild Animal – Texas, see “NOTE 3. ACQUISITION”, financing the transaction with the 2020 Term Loan from First Financial and the Aggieland Seller Note. The 2020 Term Loan in the original principal amount of $5.0 million from First Financial is secured by substantially all the Aggieland Wild Animal – Texas assets, as well as guarantees from the Company and its subsidiaries. The 2020 Term Loan bears interest at a rate of 5.0% per annum, has a maturity date of April 27, 2031, and required interest only monthly payments through April 2021. The 2020 Term Loan requires monthly payments of $53,213 beginning in May 2021. The Company paid a total of approximately $62,375 in fees and expenses in connection with the 2020 Term Loan. On June 30, 2021, the Company used the incremental proceeds of the 2021 Term Loan, combined with additional funds, to paydown $1.0 million against the 2020 Term Loan, which had an outstanding balance of $3.71 million as of January 2, 2022. The Company is in compliance with the liquidity and annual debt coverage ratio financial covenants of the 2020 Term Loan.

The Aggieland Seller Note represented a deferred portion of the Aggieland Wild Animal – Texas purchase price, had a face value of $750,000, bore no interest, matured on June 30, 2021, and was secured by a second priority subordinated lien and security interest in the acquired mineral rights and the animal inventory. The Company applied a 2.5% discount rate to determine a fair value of $728,500 for the Aggieland Seller Note as of April 27, 2020, with the resulting $21,500 discount amortized as interest expense over the period of the Aggieland Seller Note. On June 29, 2021, the Company paid off the Aggieland Seller Note.

As a result of the initial negative economic impacts and uncertainties caused by the COVID-19 pandemic, Wild Animal – Georgia and Wild Animal – Missouri each applied for Paycheck Protection Program (“PPP”) loans. On April 14, 2020 and April 16, 2020, the Company received two unsecured PPP loans totaling $188,087. The PPP was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020, and is administered by the U.S. Small Business Administration (the “SBA”). The term of the PPP loans was two years, with an interest rate of 1.0% per annum. All payments were deferred for the first twelve months of these PPP loans, with accrued interest being added 1 to the principal during the payment deferral period. Under the terms of the CARES Act, some or all the PPP loan proceeds were eligible to be forgiven, based on use for specified purposes, subject to limitations and ongoing rulemaking by the SBA. The Company applied for forgiveness of the full amount of both the Wild Animal – Georgia and Wild Animal – Missouri PPP loans in March 2021. Effective March 29, 2021, the SBA approved the Forgiveness Application for Wild Animal – Georgia, resulting in a gain on extinguishment of debt totaling $125,371 during the three month period ended April 4, 2021. Effective May 25, 2021, the SBA approved the Forgiveness Application for Wild Animal – Missouri, resulting in a gain on extinguishment of debt totaling $64,617 during the three month period ended July 4, 2021.

Interest expense of $68,896 and $91,413 for the three month periods ended January 2, 2022 and January 3, 2021, respectively, includes $1,472 and $1,978, respectively, of debt closing costs amortization in each period. In addition, interest expense for the three months ended January 2, 2022 including financial lease cost amortization of $2,011 and interest expense for the three month periods ended January 3, 2021 includes $4,640 of loan discount amortization.

NOTE 3. LONG-TERM DEBT (CONTINUED)

The following table represents the aggregate of the Company's outstanding long-term debt:

	As of	
	January 2, 2022	October 3, 2021
Loan principal outstanding	$ 5,542,001	$ 5,715,466
Less: unamortized debt financing costs	(54,330)	(55,803)
Gross long-term debt	5,487,671	5,659,663
Less current portion of long-term debt, net of unamortized costs and discount	(707,639)	(699,483)
Long-term debt	$ 4,780,032	$ 4,960,180

As of January 2, 2022, the scheduled future principal maturities of the Company's long-term debt by fiscal year are as follows:

2022	$ 531,897
2023	738,667
2024	773,565
2025	810,140
2026	848,476
thereafter	1,839,256
Total	$ 5,542,001

NOTE 4. LINE OF CREDIT

July 11, 2018, the Company, through its wholly owned subsidiary Wild Animal – Georgia, completed the 2018 Refinancing with Synovus. The 2018 Refinancing included a line of credit of up to $350,000 (the "2018 LOC"). The 2018 LOC was scheduled to mature July 11, 2021, with an option to renew for an additional three-year term. On June 18, 2021, the Company, through its wholly owned subsidiary Wild Animal – Georgia, completed the 2021 Refinancing with Synovus, which in part replaced the 2018 LOC. The Company elected to not renew the 2018 LOC, which had never been utilized.

NOTE 5. FINANCE LEASE

In October 2021, the Company entered into a financing lease for certain property related to a Christmas Lights drive through display at its Missouri Park. Future minimum lease payments, by year, with the present value of such payments as of January 2, 2022, are shown in the following table:

2023	$ 160,863
2024	160,863
Total minimum lease payments	321,726
Less amount representing interest	(16,086)
Present value of minimum lease payments	305,640
Less current portion	(155,836)
Long-term portion of finance lease obligation	$ 149,804

The property under the finance lease at January 2, 2022 is included in the accompanying balance as follows:

Christmas Light Display	464,492
Less accumulated amortization	(154,831)
Right of use asset, net	$ 309,661

NOTE 5. FINANCE LEASE (CONTINUED)

The right of use asset for this equipment is being amortized over the three-year term of the lease, on a systematic basis which management believes best represent the pattern in which the Company will consume the economic benefits thereof. As such, the full annual amortization expense has been and will be recognized during the first three months of the Company's fiscal year. The weighted-average remaining lease term is 24 months, and the weighted average discount rate is 3.75%. The lease also includes full-service installation, maintenance, removal and storage of the right of use asset, with an annual cost of $63,070, which is being treated as a period expense.

The Company has the right to purchase the right of use asset during and at the end of the lease period, as follows:

Current	$	357,228
After 2023 display		196,365
After 2024 display		35,502

NOTE 6. STOCKHOLDERS' EQUITY

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

On December 13, 2021, the Company declared its annual compensation award to seven Directors for their service on the Board of Directors. Five Directors were awarded $10,000 each, two Directors were $2,222 each, and two Directors received a total of $7,500 for serving as committee chairpersons and as a non-employee officer, to be paid all in shares of the Company's common stock, all in cash or a combination thereof, at each Director's election. Five Directors elected to receive all shares, one Director elected to receive 60% in shares and 40% in cash, and one Director elected all cash. Based on the closing stock price of $0.553 per share on December 13, 2021, a total of 84,888 shares are expected to be distributed in February 2022. The total compensation award cost of $61,944 was reported as an expense in the three month period ended January 2, 2022.

On December 13, 2021, the Company awarded a non-Director officer $10,000 to be paid in the Company's common stock, totaling 18,083 shares based on the closing stock price of $0.533 per share on December 13, 2021, which are expected to be distributed in February 2022 and $10,000 of compensation expense was reported in the three month period ended January 2, 2022

On December 18, 2020, the Company declared its annual compensation award to six Directors for their service on the Board of Directors. Each Director was awarded $10,000, to be paid all in shares of the Company's common stock, all in cash or a combination thereof, at each Director's election. Four Directors elected to receive all shares, one Director elected to receive 50% in shares and 50% in cash, and one Director elected all cash. Based on the closing stock price of $0.4388 per share on December 18, 2020, a total of 102,550 shares were distributed on January 11, 2021. The total compensation award cost of $60,000 was reported as an expense in the three month period ended January 3, 2021.

Officers, Directors and their controlled entities own approximately 52.8% of the outstanding common stock of the Company as of January 2, 2022.

NOTE 7. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Effective as of June 1, 2020, the Company and Dale Van Voorhis, the Company's Chairman and Chief Executive Officer, entered into an employment agreement (the "2020 Van Voorhis Employment Agreement"). Pursuant to the 2020 Van Voorhis Employment Agreement, Mr. Van Voorhis receives an initial base annual compensation in the amount of $100,000 per year, subject to annual review by the Board of Directors. The 2020 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.

Effective as of January 1, 2022, the Company and Todd R. White, the Company's Chief Financial Officer, entered into an employment agreement (the "2022 White Employment Agreement"). Pursuant to the 2022 White Employment Agreement, Mr. White receives an initial base annual compensation in the amount of $90,000 per year, subject to annual review by the Board of Directors. The 2022 White Employment Agreement has a term of two 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.

NOTE 7. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Effective as of 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 had 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. Effective as of May 1, 2020, Mr. Newman's annual compensation was changed to $108,000. The Newman Employment Agreement had a term of five years. Effective October 31, 2021, Mr. Newman resigned his employment with the Company.

As of January 2, 2022, the Company has not adopted any deferred compensation plans. Two of the foregoing employment agreements contains provisions for severance compensation in the event an agreement is (i) terminated early by the Company without cause ($91,667 in aggregate) or (ii) in the event of a change in control of the Company ($356,667 in aggregate), as well as disability and death payment provisions ($95,000 in aggregate).

NOTE 8. INCOME TAXES

For the three month period ended January 2, 2022, the Company reported pre-tax loss of $532,140. For the fiscal year ending October 2, 2022, the Company expects to generate pre-tax income and to record a tax provision at a blended effective federal and state income tax rate of approximately 26.4%. Based on the year-to-date mix of federal and state pre-tax loss, the Company recorded a net income tax benefit of $110,200 for the three month period ended January 2, 2022, comprised of a federal benefit of $112,000 and a State of Georgia expense of $1,800. The Company's net income tax provision of $90,700 for the three month period ended January 3, 2021, comprised of a federal expense of $60,700 and a State of Georgia expense of $30,000.

NOTE 9. COMMITMENTS AND CONTINGENCIES

On February 17, 2021, two children of James Meikle, the Company's former President and Chief Operating Officer, filed a Complaint in the Eighth Judicial District Court, Clark County, Nevada (case no. A-21-829563-C), alleging the Company was obligated under Mr. Meikle's Employment Agreement to purchase at least $540,000 of life insurance for Mr. Meikle, who passed away on November 28, 2018. The Complaint seeks damages of $540,000, as well as interest and expenses. The Company denies it was obligated to purchase such life insurance and is vigorously opposing this claim.

Except as noted 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.

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 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 three months ended	
	January 2, 2022	January 3, 2021
Total net sales:		
Georgia	$ 1,308,440	$ 1,569,011
Missouri	270,102	220,028
Texas	366,216	438,160
Consolidated	$ 1,944,758	$ 2,227,199
Income (loss) before income taxes:		
Georgia	$ 398,770	$ 861,697
Missouri	(405,909)	(130,467)
Texas	(130,405)	(18,945)
Segment total	(137,544)	712,285
Corporate	(352,606)	(316,801)
Other income, net	26,906	14,564
Interest expense	(68,896)	(91,413)
Consolidated	$ (532,140)	$ 318,635

	As of	
	January 2, 2022	October 3, 2021
Total assets:		
Georgia	$ 9,584,245	$ 9,785,396
Missouri	3,313,837	3,388,808
Texas	7,626,899	7,554,842
Corporate	382,935	252,930
Consolidated	$ 20,907,916	$ 20,981,976

NOTE 11. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to January 2, 2022 to the date these financial statements were issued and has determined that no material subsequent events have occurred from the date of these unaudited consolidated financial statements through the date of this filing.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Management's discussion and analysis of results of operations and financial condition ("MD&A") is a supplement to the accompanying unaudited consolidated financial statements and provides additional information on the Company's businesses, current developments, financial condition, cash flows and results of operations. The following discussion should be read in conjunction with our unaudited consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") and with our Annual Report on Form 10-K for the fiscal year ended October 3, 2021.

Forward-Looking Statements

Except for the historical information contained herein, this Quarterly Report 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, 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," "potential," "goal," or "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" in this Quarterly Report, 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, 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. Additional risks have been added to our business by the near-term and long-term impacts of the COVID-19 pandemic on the operations of our Parks, including customers perceptions of engaging in the activities involved in visiting our Parks, our ability to hire and retain employees in light of the issues posed by the COVID-19 pandemic, and our ability to maintain sufficient cash to fund operations due to the possible negative impact on our Park revenues associated with potential future disruptions in demand as a result of the pandemic.

The forward-looking statements we make in this Quarterly Report 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.

Overview

Through our wholly owned subsidiaries, we own and operate three 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"), Wild Animal, Inc., a Missouri corporation ("Wild Animal – Missouri"), and Aggieland-Parks, Inc., a Texas corporation ("Aggieland Wild Animal – Texas"). 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"). Aggieland Wild Animal – Texas owns and operates the Aggieland Wild Animal Safari theme park near Bryan/College Station, Texas (the "Texas Park"). On April 27, 2020, we acquired substantially all the assets of Aggieland Safari LLC and related entities ("Aggieland Safari").

Our Parks are open year round, but experience increased seasonal attendance, typically beginning in the latter half of March through early September. As a result, our combined third and fourth quarter net sales have historically ranged from 68% to 72% of our annual attendance based net sales. For our 2021 fiscal year, the first full year including our Texas Park, combined third and fourth quarter net sales were approximately 60% of our annual attendance based net sales

Through our fiscal year ended October 3, 2021, our annual net sales, adjusted income before income taxes and net cash provided by operating activities have improved significantly over the past six fiscal years. These improvements are primarily attributable to a combination of increased attendance based revenues and operating cost controls. Our Georgia Park in particular has benefitted from several positive factors including strong 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. Strong results through our 2019 fiscal year and the resulting improvements in our financial position provided us with the resources to pursue and ultimately close the Aggieland Safari acquisition during our 2020 fiscal year.

The rapid acceleration of the COVID-19 pandemic in the United States occurred at the beginning of our 2020 fiscal year annual high season. Effective April 3, 2020, both our Georgia and Missouri Parks were closed as a result of shelter-in-place mandates. Also note that prior to the acquisition of our Texas Park, its operations were suspended for the majority of April 2020 due to a shelter-in-place mandate. In compliance with respective state issued guidelines, our Georgia Park and our Texas Park each reopened on May 1, 2020, and our Missouri Park reopened on May 4, 2020. Subsequent to reopening, attendance levels were strong at each of our three Parks for the balance of our 2020 fiscal year, which continued throughout our 2021 fiscal year in comparison to comparable pre-COVID-19 periods. While attendance based net sales remain strong versus the comparable pre-COVID-19 periods, we experienced a decline in attendance based net sales and attendance for the last 22 weeks of our 2021 fiscal year and for the first 17 weeks of our 2022 fiscal year, in comparison to comparable prior year periods, respectively.

We believe the increased attendance levels, relative to comparable pre-covid-19 periods, each of our Parks has experienced since reopening in early May 2020 reflects the principally outdoor nature of the family-friendly, wild animal education and entertainment experience provided at each of our Parks. The experience offered at each of our Parks is particularly attractive during the COVID-19 pandemic as potential guests are seeking outdoor entertainment options. While we have seen many repeat customers since reopening in early May 2020, we also experienced an increase in first time visitors seeking an outdoor entertainment alternative. We believe this has increased the local and regional awareness for each of our Parks, which we believe will have positive longer-term ramifications for our business.

While we have experienced attendance gains and strong cash flow since the beginning of the COVID-19 pandemic, there remains the possibility of longer-term negative impacts to our business, results of operations and cash flows, and financial condition, as a result of the COVID-19 pandemic. These negative impacts may include changes in customer behavior and preferences causing significant volatility or reductions in attendance at one or more of our Parks, increases in operating expenses to comply with additional hygiene-related protocols, limitations in our ability to recruit and maintain staffing, limitations on our employees ability to work and travel, and significant changes in the economic or political conditions in the areas our Parks are located. Despite our efforts to manage these potential impacts, the ultimate impact may be material, and will depend on a number of factors beyond our control, including the duration and severity of the COVID-19 pandemic, the outbreak of new variants of the COVID-19 virus, and actions by governmental authorities taken to contain its spread and mitigate its public health effects. There is also the potential for attendance levels at our Parks to moderate or decline as alternative entertainment venues reopen to full capacity once the COVID-19 pandemic has run its course or vaccines are widely adopted and proven effective.

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 over the next several years is continuing the integration of our Texas Park. As our Texas Park first opened to the public in May 2019, we believe there remains tremendous potential to increase attendance by increasing the local and regional awareness of this facility via advertising and promotion. We are pleased with the expanded attendance at our Missouri Park since it reopened in May 2020 and plan on leveraging the increased exposure of this facility to continue to build on this recent success.

During our 2021 fiscal year, we engaged an experienced amusement industry consulting firm to assist us in developing a master plan for our Georgia Park. Our 2022 fiscal year capital plan includes the first major project within that master plan, an impressive giraffe exhibit. This exhibit will be a new showcase for our Georgia Park, allowing our guests to encounter our giraffes regardless of weather conditions or outside temperatures. In aggregate, our 2022 fiscal year capital investment plan involves nearly $3.0 million of improvements across all three of our parks. This significant increase in capital investment spending will be fully funded from our existing cash, and demonstrates our commitment to building for long-term, sustainable growth.

Our long-term business plan includes expansion via the acquisition of additional local or regional theme parks and attractions, if attractive opportunities arise. 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 annual operating cash flow over the past six fiscal years has provided us with incremental cash flow, and provided us with the financial strength to complete the Aggieland Safari acquisition and to significantly increase our planned capital investment spending during our 2022 fiscal year. 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.

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 reportable segment.

Results of Operations for the Three Month Period Ended January 2, 2022 as Compared to Three Month Period Ended January 3, 2021

Our 2022 fiscal year will be comprised of 52-weeks, compared to our 2021 fiscal year which was comprised of 53-weeks. The extra week in our 2021 fiscal year occurred in the three months ended January 3, 2021. As such, attendance based sales analyses will be include comparable 13-week sales comparisons, in addition to reported sales comparisons.

The following table shows our consolidated and segment operating results for the three month periods ended January 2, 2022 and January 3, 2021:

	Georgia Park		Missouri Park		Texas Park		Consolidated	
	Fiscal 2022	Fiscal 2021	Fiscal 2022	Fiscal 2021	Fiscal 2022	Fiscal 2021	Fiscal 2022	Fiscal 2021
Total net sales	$ 1,308,440	$ 1,569,011	$ 270,102	$ 220,028	$ 366,216	$ 438,160	$ 1,944,758	$ 2,227,199
Segment income (loss) from operations	398,770	861,697	(405,909)	(130,467)	(130,405)	(18,945)	(137,544)	712,285
Segment operating margin %	*30.5%*	*54.9%*	*-150.3%*	*-59.3%*	*-35.6%*	*-4.3%*	*-7.1%*	*32.0%*
Corporate expenses							(352,606)	(316,801)
Other income, net							26,906	14,564
Interest expense							(68,896)	(91,413)
(Loss) income before income taxes							$ (532,140)	$ 318,635

Total Net Sales

Our total net sales for the three month period ended January 2, 2022 were $1.94 million, a decrease of $282,441 versus the three month period ended January 3, 2021. Our Parks' combined attendance based net sales decreased by $213,424 or 9.9%, and animal sales decreased by $69,017. On a comparable 13-week basis, our attendance based net sales decreased by $16,819 or 0.9%.

Our Georgia Park's attendance based net sales decreased by $216,136 or 14.2%, to $1.31 million, while animal sales decreased by $44,435. Our Missouri Park's attendance based net sales increased by $54,217 or 25.4%, to $267,395, while animal sales decreased by $4,143. Our Texas Park's attendance based net sales decreased by $51,505 or 12.3%, to $366,216, while animal sales decreased by $20,439.

On a comparable 13-week basis, our Georgia Park's attendance based net sales decreased by $83,585 or 6.0%, our Missouri Park's attendance based net sales increased by $79,336 or 42.2%, and our Texas Park's attendance based net sales decreased by $12,570 or 3.3%.

For the three month period ended January 2, 2022, paid attendance at our Missouri Park increased by approximately 9.1%, while paid attendance at our Georgia Park and our Texas Park decreased by approximately 27.0% and 9.9%, respectively. On a comparable 13-week basis, paid attendance at our Missouri Park increased by approximately 23.6%, while paid attendance at our Georgia Park and our Texas Park decreased by approximately 19.9% and 1.7%, respectively.

Segment Operating Margin

Our consolidated segment loss from operations was $137,544 for the three month period ended January 2, 2022, a net decrease of $849,829, compared to consolidated segment income from operations of $712,285 million for the three month period ended January 3, 2021. Our Georgia Park generated segment operating income of $398,770, a decrease of $462,927, primarily attributable to lower attendance based net sales and lower animal sales, as well as higher compensation, advertising, insurance and general operating expenses. Our Missouri Park generated a segment operating loss of $405,909, an increase of $275,442, primarily attributable to higher special event spending, as well as higher compensation and advertising expenses, and higher cost of sales, partially offset by higher attendance based net sales. Our Texas Park generated a segment operating loss of $130,405, an increase of $111,460, primarily attributable to lower attendance based net sales and lower animal sales, as well as higher advertising and general operating expenses, partially offset by lower compensation expense.

Corporate Expenses

Corporate spending increased by $35,805 to $352,606 during the three month period ended January 2, 2022, primarily due to higher compensation expense.

Other Income, Net

Other income, net increased by $12,342, to $26,906, primarily attributable to higher mineral rights royalty income for our Texas Park.

Interest Expense

Interest expense for the three month period ended January 2, 2022 decreased by $22,517, to $68,896, primarily as a result of the lower interest rate associated with the June 2021 refinancing of our Synovus Bank (“Synovus”) term loan and scheduled principal payments on our term loans over the trailing 12 month period, as well as the retirement of the Aggieland Seller Note in June 2021.

Income Taxes

For the three month period ended January 2, 2022, we reported a pre-tax loss of $532,140. For the fiscal year ending October 2, 2022 we expect to generate pre-tax income and to record a tax provision at a blended effective federal and state income tax rate of approximately 26.4%. Based on the year-to-date mix of federal and state pre-tax loss, we recorded a net income tax benefit of $110,200 for the three month period ended January 2, 2022.

Net Income and Income Per Share

For the three month period ended January 2, 2022, we reported a net loss of $421,940 or $0.01 per basic share and per fully diluted share, compared to a net income of $227,935 or $0.00 per basic share and per fully diluted share, for the three month period ended January 3, 2021, resulting in a net decrease of $649,875. The net decrease in our net income is attributable to a $462,927 decrease in segment income for our Georgia Park, a $275,442 increase in the segment loss for our Missouri Park, a $111,460 increase in the segment loss for our Missouri Park, and a $35,805 increase in Corporate spending, partially offset by an increase of $12,342 in other income, a $22,517 decrease in interest expense, as well as a $200,900 net decrease in our income tax provision.

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. Historically, our slow season starts after Labor Day in September and runs until Spring Break, which typically begins toward the middle to end of March. The first and second quarters of our fiscal year have historically generated negative cash flow, requiring us to use cash generated from prior fiscal years, as well as borrowing 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. As a result of our improved cash position, during our 2021 fiscal year we did not utilize any seasonal borrowing, nor do we anticipate using any seasonal borrowing during our 2022 fiscal year.

On June 18, 2021, we entered a new $1.95 million, seven-year term loan (the “2021 Term Loan”) with Synovus Bank (“Synovus”), at an annual interest rate of 3.75%. The 2021 Term Loan replaced our 2018 borrowing facility with Synovus Bank, which included a term loan in the original principal amount of $1.60 million at 5.0% per annum and a $350,000 line of credit at 4.75% per annum. After paying off the balance outstanding on the 2018 Term Loan, the net additional borrowings on the 2021 Term Loan were $930,222 and the line of credit was not renewed. Combined with available cash, we used the incremental proceeds from the 2021 Term Loan to paydown $1.0 million of the 2020 Term Loan used to finance our Texas Park acquisition, which has a 5.0% annual interest rate. Overall, we estimate this refinancing will generate approximately $24,375 in annual interest savings.

Our working capital was $4.84 million as of January 2, 2022, compared to $5.70 million as of October 3, 2021. This decrease in working capital primarily relates to cash flow used in operating activities, as well as capital investments and scheduled term loan payments during the three month period ended January 2, 2022.

Total loan debt, including current maturities, as of January 2, 2022 was $5.79 million compared to $5.66 million as of October 3, 2021. The increase in total loan debt is attributable a financing lease obligation, partially offset by to scheduled term loan payments.

As of January 2, 2022, we had equity of $14.15 million and total loan debt of $5.79 million, resulting in a debt to equity ratio of 0.41 to 1.0 compared to 0.39 to 1.0 as of October 3, 2021.

Operating Activities

Net cash used in operating activities was $172,173 for the three month period ended January 2, 2022, compared to net cash provided by operating activities of $393,356 for the three month period ended January 3, 2021, resulting in a net decrease of $565,529, primarily due to lower net income and higher net working capital uses.

Investing Activities

Net cash used in investing activities was $272,667 for the three month period ended January 2, 2022, compared to $229,931 for the three month period ended January 3, 2021. Our capital spending for the three month period ended January 2, 2022 was $290,667, compared to $245,365 for the three month period ended January 3, 2021.

Financing Activities

Net cash used in financing activities was $334,327 for the three month period ended January 2, 2022, compared to $53,519 for the three month period ended January 3, 2021, resulting in a net increase of $280,808, primarily due to higher scheduled term loan principal payments and payments on a financing lease obligation.

Subsequent Events

None

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, results of operations, liquidity or capital expenditures.

Critical Accounting Policies and Estimates

The preceding discussion and analysis of our consolidated financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements included elsewhere in this Quarterly Report. Our significant accounting policies are set forth in “NOTE 2. SIGNIFICANT ACCOUNTING POLICIES” of the Notes to the Consolidated Financial Statements (Unaudited) included in this Quarterly Report, which should be reviewed as they are integral to understanding results of operations and financial position. The Parks! America, Inc. Annual Report on Form 10-K for the fiscal year ended October 3, 2021 includes additional information about us, and our operations, financial condition, critical accounting policies and accounting estimates, and should be read in conjunction with this Quarterly Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

Parks! America, Inc. (the "Registrant") maintains "controls and procedures," as such term is defined under the Securities Exchange Act of 1934, as amended ("the Exchange Act") in Rule 13a-15(e) promulgated thereunder, that are designed to ensure that information required to be disclosed in the Registrant's Exchange Act filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Registrant's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, the Registrant's management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

With the participation of its principal executive officer and principal financial officer of the Registrant, the Registrant's management has evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Exchange Act) as of the end of the fiscal quarter covered by this Quarterly Report. Based upon the evaluation, the Registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures were effective at a reasonable assurance level.

In addition, there were no changes in the Registrant's internal control over financial reporting (as defined in Rule 13a-15(e) promulgated under the Exchange Act) that occurred during the Registrant's fiscal quarter ended January 2, 2022 that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

On February 17, 2021, two children of James Meikle, our former President and Chief Operating Officer, filed a Complaint in the Eighth Judicial District Court, Clark County, Nevada (case no. A-21-829563-C), alleging we were obligated under Mr. Meikle's Employment Agreement to purchase at least $540,000 of life insurance for Mr. Meikle, who passed away on November 28, 2018. The Complaint seeks damages of $540,000, as well as interest and expenses. We deny we were obligated to purchase such life insurance and are vigorously opposing this claim.

Except as noted above, we are not a party to any pending legal proceeding, nor are any of our properties 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 our business or has a material interest adverse to our business.

ITEM 1A. RISK FACTORS

You should read the MD&A together with our unaudited consolidated financial statements and related notes, each included elsewhere in this Quarterly Report, in conjunction with the Parks! America, Inc. Annual Report on Form 10-K for the fiscal year ended October 3, 2021. Some of the information contained in the MD&A or set forth elsewhere in this Quarterly Report, 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 COVID-19 pandemic and measures taken in response thereto may have a material negative impact on our business, results of operations and cash flows, and financial condition. The extent of the impact is dependent upon future developments, which are highly uncertain and difficult to predict.

In March 2020, the World Health Organization characterized COVID-19, a disease caused by a novel strain of a coronavirus, as a pandemic. The rapid spread of COVID-19 has resulted in governmental authorities throughout the United States implementing a variety of containment measures with the objective of slowing the spread of the virus, including travel restrictions, shelter-in-place orders and business shutdowns. The COVID-19 pandemic and these containment measures have the potential to have a material impact on the Company's business.

We began to see a significant reduction in paid attendance at our Georgia and Missouri Parks beginning the week of March 9, 2020. Effective April 3, 2020, both Parks were closed to the public as a result of shelter-in-place mandates in Georgia and Missouri. Also note that prior to the Company's acquisition of the Texas Park, its operations were also closed to the public for the majority of April 2020 due to a shelter-in-place mandate in Texas. In compliance with respective state issued guidelines, our Georgia Park reopened on May 1, 2020 and our Missouri Park reopened on May 4, 2020, with the drive-through portion of our Texas Park reopening on May 1, 2020 and the park was fully reopened on May 15, 2020. Since we reopened each of our Parks, attendance levels at each facility were strong for the balance of our 2020 fiscal year, which continued throughout our 2021 fiscal year, compared to pre-COVID 19 comparable periods.

While our business has experienced a rebound subsequent to the reopening of our Parks, there may be longer-term negative impacts to our business, results of operations and cash flows, and financial condition as a result of the COVID-19 pandemic. These negative impacts include changes in customer behavior and preferences causing significant volatility or reductions in Park attendance, increases in operating expenses to comply with additional hygiene-related protocols, limitations in our ability to recruit and maintain staffing, limitations on our employees ability to work and travel, and significant changes in the economic or political conditions in the areas our Parks are located. Despite our efforts to manage these impacts, the ultimate impact may be material, and will depend on a number of factors beyond our control, including the duration and severity of the COVID-19 pandemic, the emergence of variants of the COVID-19 virus, and actions by governmental authorities taken to contain its spread and mitigate its public health effects. There is also the potential for our attendance levels to moderate or decline as alternative entertainment venues reopen to full capacity once the COVID-19 pandemic has run its course or vaccines are widely adopted and proven effective.

The extent and duration of longer-term impacts of the COVID-19 pandemic on customer perceptions of our Parks are largely uncertain and dependent upon future developments that cannot be accurately predicted. There is no recent historical precedent that provides insights into the longer-term impacts that the COVID-19 pandemic will have on consumer behavior. As a result, the ultimate impact is highly uncertain and subject to change. We do not yet know the full extent COVID-19 will have on our overall business, results of operations and cash flows, and financial position. COVID-19 and the resulting economic disruptions have also led to significant volatility in the capital markets. As a smaller public company, our ability to access cash is already difficult and the impacts of COVID-19 on capital markets has likely had negatively impacted our ability to raise additional capital at a reasonable cost.

General economic conditions may have an adverse impact on our business, financial condition or results of operations.

Our business and operating results can be impacted by a number of macroeconomic factors, including but not limited to consumer confidence and spending levels, tax rates, unemployment, consumer credit availability, raw materials costs, pandemics (such as the ongoing COVID-19 pandemic) and natural disasters, fuel and energy costs (including oil prices), and credit market conditions. The COVID-19 pandemic has severely impacted and will likely continue to impact many of these factors. A general economic slowdown or recession resulting in a decrease in discretionary spending could adversely affect the frequency with which guests choose to visit our parks and the amount that our guests spend when they visit. Our ability to source supplies, materials and services at reasonable costs and in a timely manner could be impacted by adverse economic conditions in the U.S. and abroad. For example, our ability to obtain gift shop merchandise had been adversely impacted by recent supply chain distributions at least in part attributed to collateral impacts from COVID-19.

Conditions beyond our control could damage our properties and could adversely impact attendance at our parks and result in decreased revenues.

Natural disasters, public heath crises, epidemics, pandemics, such as the outbreak of COVID-19, terrorist activities, power outages or other events outside our control could disrupt our operations, impair critical systems, damage our properties or reduce attendance at our parks or require temporary park closures. Damage to our properties could take a long time to repair and there is no guarantee that we would have adequate insurance to cover the costs of repair or the expense of the interruption to our business. Furthermore, natural disasters such as fires, earthquakes or hurricanes may interrupt or impede access to our affected properties or require evacuations and may cause attendance at our affected properties to decrease for an indefinite period. For example, our Texas Park was closed for several weeks, experienced power outages and sustained property damage associated with winter storms in February 2021. The occurrence of such events could have a material adverse effect on our business, financial condition and results of operations.

We cannot predict the frequency, duration or severity of these activities and the effect that they may have on our business, financial condition or results of operations.

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. There are a variety of animal attractions throughout southeastern Texas; the nearest is Franklin Drive Thru Safari, within a 35-40 minute drive of our Texas 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 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. 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, key personnel 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.

Increased labor and employee benefit costs may reduce our results of operations. We also depend on a seasonal workforce, many of whom are paid at minimum wage.

Labor is a primary component in the cost of operating our business. Our ability to control labor costs is subject to numerous external factors, including market pressures with respect to prevailing wage rates, unemployment levels, and health and other insurance costs, as well as the impact of legislation or regulations governing labor relations, minimum wage, and healthcare benefits. Furthermore, our operations are dependent in part on a seasonal workforce, many of whom are paid at or near minimum wage. We seek to manage seasonal wages and the timing of the hiring process to ensure the appropriate workforce is in place for peak and low seasons; however, we may be unable to recruit and hire sufficient personnel to meet our business needs. In addition, we cannot guarantee that material increases in the cost of securing our workforce will not occur in the future. Increased state or federal minimum wage requirements, general wages or an inadequate workforce could have an adverse impact on our results of operations. We anticipate that the recent upward pressures on general wage rates will increase our salary, wage and benefit expenses in our 2022 fiscal year and beyond, and further legislative changes or competitive wage rates could continue to increase these expenses in the future.

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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
10.1	Employment Agreement with Todd R. White dated January 1, 2022
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.
	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

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

PARKS! AMERICA, INC.

February 10, 2022

By: */s/ Dale Van Voorhis*
Dale Van Voorhis
Chief Executive Officer
(Principal Executive Officer)

Exhibit 10.1

PARKS! AMERICA, INC.
EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is entered into and made effective as of the 1st day of January, 2022, by and between Parks America, Inc., a Nevada Corporation, with its principal pace of business located at 1300 Oak Grove Road, Pine Mountain, Georgia 31822 (the “Company”), and Todd R. White of 16600 N Thompson Peak Pkwy, Unit 1069, Scottsdale, AZ 85260 (“White”).

RECITALS

1. The Company is engaged in the business of developing and operating theme parks and related service enterprises and desires to hire and retain qualified, experienced leadership in this endeavor.

2. White has been an officer and Director of the Company since 2014, and has considerable experience and high qualifications as a corporate financial officer.

3. In view of his effective service in the operation and financial management of the Company, the Company desires to continue the employment of White as Chief Financial Officer of the Company and as a member of its Board of Directors according to the terms and conditions as set forth below.

4. White desires to continue to be employed by the Company as its Chief Financial Officer and to serve as a member of its Board of Directors.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants, promises, terms and conditions hereinafter set forth, the parties hereto agree as follows:

I. EMPLOYMENT

The Company hereby employs, engages and hires White, on a part-time basis, as its CFO on the terms and conditions hereinafter set forth, and White hereby accepts such employment and agrees to perform such services and duties and to carry out such responsibilities as hereinafter set forth.

II. TERM OF EMPLOYMENT

The term of employment under this Agreement shall be for a period of two (2) years commencing as of January 1, 2022 and terminating on December 31, 2023, subject, however, to prior termination as hereinafter provided.

III. SERVICES, DUTIES AND RESPONSIBILITIES

1. White will faithfully and to the best of his ability serve the Company on a part-time basis in his capacity as CFO, subject to the supervision of the Chief Executive Officer and the policy direction of the Board of Directors of the Company. White shall perform such services and duties as are customarily performed by one holding the position of CFO of a publicly traded corporation.

2. As CFO, White shall be responsible for the overall financial management of the Company's business. White will devote his energy and skill, on a part-time basis, to his employment with the Company. Such duties shall be rendered where White elects, and at such other place as the Company shall require or as interests, needs or business or opportunity of the Company shall require, subject to the part-time nature of his employment.

3. White shall be responsible for reporting to the Chief Executive Officer of the Company on a regular basis and to the Company's Board of Directors.

4. White shall not directly or indirectly represent or be engaged by or be an employee of any other person, firm or corporation or be engaged for his services as an officer, general manager or consultant in any other business or enterprise in competition with the Company, without the prior written consent of the Board of Directors to do so. It is understood, however, that the foregoing in no way prevents White from owning stock or having an economic interest in other businesses or enterprises. Furthermore, White may serve on the board of directors of other companies so long as such service does not conflict with his interest in and duties to the Company and he may be an officer, director, and/or shareholder in any family or personal investment business so long as it does not conflict with his interest and duties to the Company.

IV. COMPENSATION

1. Base Salary. Commencing as of January 1, 2022, the Company shall pay White an annual base salary of Seventy Thousand Dollars ($90,000) to be paid in twelve (12) equal installments, payable in accordance with the Company's normal payroll procedures. Said salary payments will be subject to withholding taxes, e.g., Federal Income Tax, FICA, and State and/or Local Withholding Taxes. Whereas such salary shall not be decreased during the term of this Agreement without the consent of White, it shall be subject to increase by the Company's Board of Directors, at their sole discretion.

2. Additional Benefits. During the term of this Agreement, White shall be entitled to participate in any employee benefit plans and arrangements, either existing as of the date of this Agreement or which may hereafter be established, that are generally applicable to senior management of the Company, including but not limited to, all life, medical, disability, insurance, retirement, deferred compensation, stock option or other employee benefit plan that may be adopted from time to time. White acknowledges that that no such benefit plans or arrangements are in effect as of the date of this Agreement and nothing herein shall require the Company to adopt any such plans.

3. Bonus Compensation. The Board of Directors may, from time to time and in its sole discretion, cause the Company to award to White bonus compensation based upon the operating results of the Company. White acknowledges that any bonus compensation so awarded is entirely discretionary and nothing herein shall require the Company to grant any such compensation.

V. BUSINESS FACILITIES AND EQUIPMENT

The Company shall provide White, or shall pay for, suitable work facilities and adequate business accommodations, office equipment and devices as may be reasonably necessary for White to perform his services and carry out his responsibilities and duties to the Company.

VI. DIRECTORS AND OFFICERS INSURANCE.

The Company shall purchase and maintain Directors' and Officers' liability insurance, including coverage for White, in an amount of not less than $3,000,000 (three million dollars).

VII. INDEMNIFICATION.

The Company shall defend and indemnify White, his heirs, executors, administrators and assigns, against all expenses, including, but not limited to, amounts of judgments, reasonable settlement of suits, attorney fees and related costs of litigation, reasonably incurred by him or the Company in connection with or arising out of any action, suit or cause of action against the Company and/or against White as a result of his having been, an officer and/or director of the Company, or, at its request, of any other corporation which the Company owns, whether or not he continues to be such officer or director at the time of incurring said expenses.

Nothing in this section regarding indemnification shall be construed to require or authorize the Company to defend or indemnify White against any liability to which he would, but for settlement or comprise of such action, suit or proceeding, be otherwise subject by reason of his gross negligence or intentional misconduct in the performance of his duties as an officer and/or director of the Company.

The foregoing right of indemnification shall not be exclusive of other rights to which White may be entitled.

VIII. BUSINESS EXPENSE REIMBURSEMENT

The Company shall reimburse White for all reasonable business expenses incurred by him in the performance of his services, duties and responsibilities, including but not limited to, transportation, travel expenses, board and room, entertainment, and other business expenses incurred within the scope of his employment, subject to the presentation to the Company by White of an itemized accounting of said expenses substantiated by account books, receipts, bills and other documentation where applicable. If reimbursement, advances or allowances are based on permitted mileage or per diem rates, then White shall submit specification of relevant mileage, destination, dates and other supporting information required for tax purposes.

IX. RESERVED

X. TERMINATION OF EMPLOYMENT

1. Termination. This Agreement may be terminated by either party, at any time and for any reason upon 30 days prior written notice to the other party.

2. Severance. In the event of any early termination of this Agreement by the Company, except by reason of death or disability (which is covered in paragraph 5 below) or a change-in-control (which is covered in paragraph 4 below), the Company agrees to pay White a one-time payment of $50,000 in exchange for a full release of any and all claims White may have, or believe he has, against the Company as further provided in paragraph 3 below.

3. Conditions to Severance. The payment to White of severance compensation hereunder shall be in full satisfaction and complete discharge of the Company's obligations to White pursuant to this Agreement, except as provided in paragraphs 4 and 5 below. The severance payment is subject to, conditioned on and provides valuable consideration for the following:

a. A valid mutual general release, to be drafted by the Company and executed by both parties releasing all claims each party may have against the other in connection with this Agreement, however the parties to this Agreement acknowledge and agree that the obligations of White arising under Section XI of this Agreement shall not be released.

b. The resignation by White from any and all positions he holds with the Company at the time of the termination, including but not limited to, White's resignation from the Company's Board of Directors.

4. Sale/Take-Over Termination Bonus (Change-In-Control). In the event the employment of White is terminated (or there is a deemed termination as a result of a material change in White's responsibilities or employment circumstances) following the sale of the business, including any sale of the Company, (either asset or stock sale), merger, consolidation, or change-in-control as a result of a "takeover" by an outside entity or group acquiring voting control of the Company, then in lieu of the $50,000 payment contemplated in paragraph 2 above, White shall be entitled to a termination payment of $90,000 and no release in favor of the Company shall be required.

5. Death or Disability. In the event White's employment is terminated by death or upon medical certification of total disability ("disability"), then the following will apply in that respective event:

(a) In the event of White's death, the Company shall:

- Pay to White's estate an amount equal to White's base salary for a 6 (six) month period next following his death;
- Pay to White's estate his deferred compensation vested at the time of death;
- Grant to White's estate the next ISO due to White under Section IV.2 herein following the date of his death;
- The Company shall continue providing medical and dental benefits set forth in Section IV to White's survivors (if any) for a period of one year.

(b) In the Event of White's disability, the Company shall:

- Pay to White an amount equal to White's base salary for a six (6) month period next following disability;
- Pay to White his deferred compensation vested at the time of termination;
- The Company shall pay to White an amount equal to the bonus White would have received for the next two quarters following disability;
- The Company shall continue providing the medical and dental benefits set forth in Section IV.2 to White for a period of two years following disability.

The payment of $50,000 contemplated in paragraph 2 above shall not be applicable if termination occurs for the reasons specified in this paragraph 5.

XI. RESTRICTIVE COVENANTS.

1. Confidential Information. White covenants not to disclose the following specified confidential information to competitors or to others outside of the scope of reasonably prudent business disclosure, at any time during or after the termination of his employment by the Company.

a. Customers lists, contracts, and other sales and marketing information;
b. Financial information, cost data;
c. Formulas, trade secrets, processes and devices related to the operation of the theme parks;
d. Supply sources, contracts:
e. Business opportunities relating to developing new business for the Company; and
f. Proprietary plans, procedures, models and other proprietary information of the Company.

2. Affirmative Duty to Disclose. White shall promptly communicate and disclose to the Company all observations made, information received, and data maintained relating to the business of the Company obtained by him as a consequence of his employment by the Company. All written material, possessed during his employment with the Company concerning business affairs of the Company or any of its affiliates, are the sole property of the Company and its affiliates, and White is obligated to make reasonably prompt disclosures of such information and documents to the Company, and, further, upon termination of this Agreement, or upon request of the Company, White shall promptly deliver the same to the Company or its affiliates, and shall not retain any copies of same.

3. Covenant Not to Compete. For a period of two (2) years following the termination of his employment with the Company, White shall not work, directly or indirectly for a competitor of the Company, nor shall he himself establish a competitive business. This restrictive covenant shall be limited to businesses that compete in the theme park business in market areas within 150 miles of Company parks.

4. Material Harm Upon Breach. The parties acknowledge the unique and secret nature of the Company's procedures for acquisition of theme parks and related businesses and of related proprietary information, and that material irreparable harm occurs to the Company if these restrictive covenants are breached. Further, the parties hereto acknowledge and agree that injunctive relief is not an exclusive remedy and that an election on the part of the Company to obtain an injunction does not preclude other remedies available to the Company.

5. Arbitration. Any controversy, claims, or matter in dispute occurring among the parties and arising out of or relating to this Agreement shall be submitted by either or both of the parities to arbitration administered by the American Arbitration Association or its successor and said arbitration shall be final, absolute and non-appealable. The Commercial Arbitration Rules of the American Arbitration Association shall apply subject to the following modifications:

a. The venue for said arbitration shall be Pine Mountain, Georgia, and the laws of the State of Georgia relating to arbitration shall apply to said arbitration.

b. The decision of the arbitration panel may be entered as a judgment in any court of general jurisdiction in any state of the United States or elsewhere.

XII. OTHER AGREEMENTS

In connection with this Agreement, White agrees to accept appointment to the Company's Board of Directors, to serve until his earlier resignation or removal.

XIII. NOTICE.

Except as otherwise provided herein, all notices required by this Agreement as well as any other notice to any party hereto shall be given by certified mail (or equivalent), to the respective parties as required under this Agreement or otherwise, to the following addresses indicated below or to any change of address given by a party to the others pursuant to the written notice.

COMPANY: Parks! America
1300 Oak Grove Road
Pine Mountain, Georgia 31822

WHITE: Todd R. White
16600 N Thompson Peak Pkwy, Unit 1069
Scottsdale, Arizona 85260

XIV. GENERAL PROVISIONS

1. Entire Agreement. This Agreement constitutes and is the entire Agreement of the parties and supersedes all other prior understandings and/or Agreements between the parties regarding the matters herein contained, whether verbal or written.

2. Amendments. This Agreement may be amended only in writing signed by both parties.

3. Assignment. No party of this Agreement shall be entitled to assign his or its interest herein without the prior written approval of the other party.

4. Execution of Other Documents. Each of the parties agrees to execute any other documents reasonably required to fully perform the intentions of this Agreement.

5. Binding Effect. This Agreement shall inure to and be binding upon the parties hereto, their agents, employees, heirs, personal representatives, successors and assigns.

6. No Waiver of Future Breach. The failure of one party to insist upon strict performance or observation of this Agreement shall not be a waiver of any future breach or of any terms or conditions of this Agreement.

7. Execution of Multiple Originals. Two (2) original counterparts of this Agreement shall be executed by these parties.

8. Governing Law. This Agreement shall be governed and interpreted by the laws of the State of Georgia.

9. Severability. In the event any provision or section of this Agreement conflicts with the applicable law, such conflict shall not affect the provisions of the Agreement, which can be given effect without the conflicting provisions.

IN WITNESS WHEREFOF, this Agreement is hereby executed and made effective the day and year first above written,

PARKS! AMERICA, INC.

By: */s/ Dale Van Voorhis*
Dale Van Voorhis, Chief Executive Officer

/s/ Todd R. White
Todd R. White

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a)/15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Dale Van Voorhis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Parks! America, Inc. (the "registrant") for the quarter ended January 2, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2022

/s/ Dale Van Voorhis
Dale Van Voorhis
Chief Executive Officer
(Principal Executive Officer)
Parks! America, Inc.

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a)/15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Todd R. White, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Parks! America, Inc. (the "registrant") for the quarter ended January 2, 2022;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2022

/s/ Todd R. White

Todd R. White
Chief Financial Officer
(Principal Financial Officer)
Parks! America, Inc.

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Parks! America, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended January 2, 2022 (the "Form 10-Q") of the Company fully complies with the requirement of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 10, 2022

/s/ Dale Van Voorhis

Dale Van Voorhis
Chief Executive Officer
(Principal Executive Officer)
Parks! America, Inc.

Dated: February 10, 2022

/s/ Todd R. White

Todd R. White
Chief Financial Officer
(Principal Financial Officer)
Parks! America, Inc.

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