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 April 2, 2023

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 May 12, 2023, the issuer had 75,389,558 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
As of April 2, 2023 (UNAUDITED) and October 2, 2022

	April 2, 2023	October 2, 2022
ASSETS		
Cash	$ 3,861,632	$ 5,472,036
Accounts receivable	3,335	4,405
Inventory	532,143	541,986
Prepaid expenses	572,891	170,782
Total current assets	4,970,001	6,189,209
Property and equipment, net	15,067,473	14,811,742
Intangible assets, net	76,207	79,565
Other assets	20,909	23,090
Total assets	$ 20,134,590	$ 21,103,606
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	$ 623,234	$ 267,567
Other current liabilities	494,266	521,872
Current portion of long-term debt, net	749,879	732,779
Total current liabilities	1,867,379	1,522,218
Long-term debt, net	3,847,364	4,227,442
Total liabilities	5,714,743	5,749,660
Stockholders' equity		
Common stock; 300,000,000 shares authorized, at $.001 par value; 75,389,558 and 75,227,058 shares issued and outstanding, respectively	75,389	75,227
Capital in excess of par	5,052,600	4,987,762
Retained earnings	9,291,858	10,290,957
Total stockholders' equity	14,419,847	15,353,946
Total liabilities and stockholders' equity	$ 20,134,590	$ 21,103,606

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

PARKS! AMERICA, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
For the Three Months and Six Months Ended April 2, 2023 and April 3, 2022

	For the three months ended		For the six months ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Park revenues	$ 1,857,565	$ 2,084,452	$ 3,675,144	$ 4,026,503
Sale of animals	17,900	2,122	61,700	4,829
Total revenues	1,875,465	2,086,574	3,736,844	4,031,332
Cost of sales	282,881	342,641	555,501	625,677
Selling, general and administrative	1,821,295	1,556,859	3,347,307	3,533,656
Depreciation and amortization	209,449	192,575	426,633	385,650
Tornado expenses and write-offs	632,372	-	632,372	-
(Gain) loss on disposal of operating assets	30,584	-	30,584	(18,000)
Loss from operations	(1,101,116)	(5,501)	(1,255,553)	(495,651)
Other income, net	31,666	19,386	61,279	46,292
Interest expense	(56,489)	(67,775)	(115,225)	(136,671)
Loss before income taxes	(1,125,939)	(53,890)	(1,309,499)	(586,030)
Income tax benefit	(279,800)	(2,200)	(310,400)	(112,400)
Net loss	$ (846,139)	$ (51,690)	$ (999,099)	$ (473,630)
Loss per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average shares outstanding (in 000's) - basic and diluted	75,270	75,168	75,248	75,146

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 and Six Months Ended April 2, 2023 and April 3, 2022

	Shares	Amount	Capital in Excess of Par	Treasury Stock	Retained Earnings	Total
Balance at October 2, 2022	75,227,058	$ 75,227	$ 4,987,762	$ -	$ 10,290,957	$ 15,353,946
Net loss for the three months ended January 1, 2023	-	-	-	-	(152,960)	(152,960)
Balance at January 1, 2023	75,227,058	$ 75,227	$ 4,987,762	$ -	$ 10,137,997	$ 15,200,986
Issuance of common stock to Directors	162,500	162	64,838	-	-	65,000
Net loss for the three months ended April 2, 2023	-	-	-	-	(846,139)	(846,139)
Balance at April 2, 2023	75,389,558	$ 75,389	$ 5,052,600	$ -	$ 9,291,858	$ 14,419,847

	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
Issuance of common stock to Directors and an Officer	102,971	103	56,800	-	-	56,903
Retirement of Treasury Stock			(3,250)	3,250		-
Net loss for the three months ended April 3, 2022	-	-	-	-	(51,690)	(51,690)
Balance at April 3, 2022	75,227,058	$ 75,227	$ 4,987,762	$ -	$ 9,089,836	$ 14,152,825

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 Six Months Ended April 2, 2023 and April 3, 2022

	For the six months ended	
	April 2, 2023	April 3, 2022
OPERATING ACTIVITIES:		
Net loss	$ (999,099)	$ (473,630)
Reconciliation of net loss to net cash provided by operating activities:		
Depreciation and amortization expense	426,633	385,650
Amortization of right of use asset	-	154,831
Interest expense - debt financing cost amortization	2,944	2,944
Interest expense - financing lease	-	5,027
Stock-based compensation	65,000	56,903
Tornado asset write-offs	250,696	-
Loss (gain) loss on disposal of assets	30,584	(18,000)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	1,070	(6,461)
(Increase) decrease in inventory	9,843	(248,188)
(Increase) decrease in prepaid expenses	(402,109)	(271,687)
Increase (decrease) in accounts payable	355,667	71,682
Increase (decrease) in other current liabilities	(27,606)	17,841
Net cash used in operating activities	(286,377)	(323,088)
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(952,640)	(1,164,176)
Investment in tradenames	(5,466)	-
Proceeds from the disposition of property and equipment	-	18,000
Net cash used in investing activities	(958,106)	(1,146,176)
FINANCING ACTIVITIES:		
Payments on 2020 Term Loan	(236,957)	(225,392)
Payments on 2021 Term Loan	(128,964)	(124,211)
Principal payments on finance lease obligation	-	(160,863)
Net cash used in financing activities	(365,921)	(510,466)
Net decrease in cash	(1,610,404)	(1,979,730)
Cash at beginning of period	5,472,036	6,654,348
Cash at end of period	$ 3,861,632	$ 4,674,618
Supplemental Cash Flow Information:		
Cash paid for interest	$ 112,040	$ 133,576
Cash paid for income taxes	$ 100,000	$ 200,000
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Right of use asset obtained in exchange for finance lease liability	$ -	$ 464,492

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

PARKS! AMERICA, INC. and SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
April 2, 2023

NOTE 1. ORGANIZATION

Parks! America, Inc. ("Parks!" or 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 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 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's Parks are open year-round, but experience increased seasonal attendance, typically beginning in the latter half of March through early September. Combined third and fourth quarter attendance based net sales were 62.1% and 60.3% of annual attendance based net sales for the Company's 2022 and 2021 fiscal years, respectively.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements 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 2, 2022.

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 2023 fiscal year, October 1 will be the closest Sunday, and for the 2022 fiscal year, October 2 was the closest Sunday. 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 significant concentrations. The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, or an exit price. Inputs to valuation techniques used to measure fair value may be observable or unobservable, and valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The fair value hierarchy consists of three broad levels based on the ranks of the quality and reliability of inputs used to determine the fair values. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities. Level 2 inputs consist of quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data. Level 3 inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Assets and liabilities recognized or disclosed at fair value on a recurring basis include our term debt.

Accounts Receivable: The theme parks are a payment upfront business; therefore, the Company typically carries little or no accounts receivable. The Company had $3,335 and $4,405 of accounts receivable as of April 2, 2023 and October 2, 2022, 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 based 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 $532,143 and $541,986 as of April 2, 2023 and October 2, 2022, respectively.

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.

	April 2, 2023	October 2, 2022	Depreciable Lives
Land	$ 6,389,470	$ 6,389,470	not applicable
Mineral rights	276,000	276,000	25 years
Ground improvements	2,893,046	2,797,694	7-25 years
Buildings and structures	3,670,659	3,922,106	10-39 years
Animal shelters and habitats	2,828,970	2,479,832	10-39 years
Park animals	1,305,793	1,247,777	5-25 years
Equipment - concession and related	470,135	464,988	3-15 years
Equipment and vehicles - yard and field	795,599	766,149	3-15 years
Vehicles - buses and rental	304,992	267,483	3-5 years
Rides and entertainment	177,154	106,247	5-7 years
Furniture and fixtures	27,159	28,694	5-10 years
Projects in process	766,175	808,526	
Property and equipment, cost	19,905,152	19,554,966	
Less accumulated depreciation	(4,837,679)	(4,743,224)	
Property and equipment, net	$ 15,067,473	$ 14,811,742	

Depreciation expense for the three months ended April 2, 2023 and April 3, 2022 totaled $204,965 and $192,300, respectively, and depreciation expense for the six months ended April 2, 2023 and April 3, 2022 totaled $417,665 and $385,100, respectively.

Intangible Assets: Intangible assets consist primarily of software implementation costs, website domains and tradename registrations, which are reported at cost and are being amortized over a period of three to fifteen years. Amortization expense for the three months ended April 2, 2023 and April 3, 2022 totaled $4,484 and $275, respectively, and amortization expense for the six months ended April 2, 2023 and April 3, 2022 totaled $8,968 and $550, respectively.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

During the three months and six months period ended April 2, 2023 the Company recorded long-lived asset impairment charges of $250,696 related to tornado and severe weather damage at its Georgia Park on March 26-27, 2023. See "NOTE 3. TORNADO EXPENSES AND ASSET WRITE-OFFS" for further details.

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

	April 2, 2023	October 2, 2022
Deferred revenue	$ 193,356	$ 193,912
Accrued wages and payroll taxes	169,046	122,265
Accrued sales taxes	45,624	49,123
Accrued property taxes	17,291	46,814
Other accrued liabilities	68,949	109,758
Other current liabilities	$ 494,266	$ 521,872

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 revenues for annual passes and memberships are deferred and recognized as revenue on a pro-rata basis over the term of the pass or membership. Park admission fee revenues from advance online ticket purchases are deferred until the customers' visit to the parks. Advance online tickets can generally be used anytime during the one year period from the date of purchase. 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.

Deferred revenues from advance online admission tickets, and season passes and memberships were $193,356 and $193,912 as of April 2, 2023 and October 2, 2022, respectively, and is included within Other Current Liabilities in the accompanying consolidated balance sheets.

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 transfers 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 9: 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.

Advertising and Marketing Costs: The Company expenses advertising and marketing costs as incurred. Advertising and marketing expense for the three months ended April 2, 2023 and April 3, 2022 totaled $283,307 and $267,247, respectively, and advertising and marketing expense for the six months ended April 2, 2023 and April 3, 2022 totaled $488,743 and $575,120, respectively.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 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.

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. Effective September 27, 2022, the Company terminated this financing lease, acquiring the leased property related to the Christmas Lights display for $85,000 in exchange for a mutual release of obligations under the lease agreement and recognized a lease termination gain of $2,011. During the three months ended April 3, 2022 the Company recognized interest expense of $3,016. For the six months ended April 3, 2022 the Company recognized right of use asset amortization and interest expense related to this lease of $154,831 and $5,027, respectively.

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 the time of the grant. The Company typically awards its annual Director compensation around the end of each calendar year.

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 the 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 April 2, 2023 or October 2, 2022.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. TORNADO EXPENSES AND ASSET WRITE-OFFS

During March 26-27, 2023, the Company's Georgia Park experienced extensive damage, caused by an EF-3 tornado and over nine inches of rain, resulting in more than 4,500 fallen trees and damage to many of the Park's animal enclosures, fencing and other infrastructure. The Walkabout Adventure Zoo ("Walkabout") portion of the property was particularly hard hit. The Georgia Park was closed for 20 days, including for most of its traditionally busy spring break period, which has historically comprised approximately 10%-15% of its annual revenue. The drive-through safari section of the Georgia Park reopened on April 15 and a portion of the Walkabout section reopened on May 6.

For the three month and six month periods ended April 2, 2023, the Company recorded $381,676 of tornado related expenses, primarily due to tree and other debris removal, repairing and replacing underground water pipes throughout the property, as well as general clean-up efforts. In addition, the Company recorded tornado and severe weather related asset write-offs of $250,696, primarily associated with damage to various animal exhibits, several buildings, fencing and other infrastructure. Subsequent to April 2, 2023, approximately $490,000 of additional tornado related clean-up, repair and reopening expenses have been incurred or are expected to be incurred in the 2023 fiscal year.

The Company also recorded initial capital investments of $110,642 through April 2, 2023 related to tornado damage rebuilding projects and approximately $500,000 of additional tornado related capital spending is anticipated through October 1, 2023. Management is working with its insurance providers regarding tornado damage related coverage and anticipated proceeds are not expected to exceed $700,000, factoring in deductibles and co-insurance. The Company is also working with local, state, and federal agencies to explore options to assist with offsetting tornado related clean-up, repair and rebuilding costs.

NOTE 4. 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 $1.51 million as of April 2, 2023.

On April 27, 2020, the Company, through its wholly owned subsidiary Aggieland-Parks, Inc., acquired Aggieland Wild Animal – Texas, financed in part with a $5.0 million loan (the “2020 Term Loan”) from First Financial Bank, N.A. (“First Financial”). The 2020 Term Loan 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 $903,222 of 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 $3.13 million as of April 2, 2023. The Company is in compliance with the liquidity and annual debt coverage ratio financial covenants of the 2020 Term Loan.

Interest expense of $56,489 and $67,775 for the three month periods ended April 2, 2023 and April 3, 2022, respectively, includes $1,472 of debt closing costs amortization in each period. Interest expense of $115,225 and $136,671 for the six month periods ended April 2, 2023 and April 3, 2022, respectively, includes $2,944 of debt closing costs amortization in each period. Interest expense for the three month period and six month period ended April 3, 2022 also includes financial lease cost amortization of $3,016 and $5,027, respectively.

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

	As of	
	April 2, 2023	October 2, 2022
Loan principal outstanding	$ 4,644,216	$ 5,010,136
Less: unamortized debt financing costs	(46,973)	(49,915)
Gross long-term debt	4,597,243	4,960,221
Less current portion of long-term debt, net of unamortized costs and discount	(749,879)	(732,779)
Long-term debt	$ 3,847,364	$ 4,227,442

As of April 2, 2023, the scheduled future principal maturities of the Company’s long-term debt by fiscal year are as follows:

2023	$ 372,728
2024	773,562
2025	810,139
2026	848,474
2027	888,655
thereafter	950,658
Total	$ 4,644,216

NOTE 5. 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 February 2, 2023, the Company declared its annual compensation award to seven directors for their service on the Board of Directors. Seven directors were awarded $10,000 each and three directors received a total of $10,000 for serving as committee chairpersons and as a non-employee officer, with such compensation 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 $0.40 per share on February 2, 2023, a total of 162,500 shares were issued on March 9, 2023. The total compensation award cost of $80,000 was reported as an expense in the three month period ended April 2, 2023.

Effective February 14, 2023, Lisa Brady the Company's President and Chief Executive Officer vested in 128,205 shares of the Company's common stock, in accordance with the terms of her employment agreement. Those shares are expected to be issued by May 31, 2023. The Company recorded $50,000 of compensation award cost expense in the three month period ended April 2, 2023.

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 new directors were awarded $2,222 each, and two directors received a total of $7,500 for serving as committee chairpersons and as a non-employee officer, with such compensation 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 were issued on February 21, 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 shares of the Company's common stock, totaling 18,083 shares based on the closing stock price of $0.553 per share on December 13, 2021, which were distributed on February 21, 2022, and $10,000 of compensation expense was reported in the three month period ended January 2, 2022.

Officers, directors and their controlled entities own approximately 53.7% of the outstanding common stock of the Company as of April 2, 2023.

NOTE 6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Employment Agreements:

Effective November 14, 2022, the Company and Ms. Brady, entered into an employment agreement (the "Brady Employment Agreement"). Pursuant to the Brady Employment Agreement, Ms. Brady receives an initial base annual compensation in the amount of $175,000 per year, subject to annual review by the Board of Directors. Ms. Brady is entitled to receive an annual Performance Incentive of up to 25% of her base annual compensation, subject to performance milestones. Ms. Brady received a $50,000 award of shares of Company stock, which vested on February 14, 2023, after her first ninety days of employment. The number of shares of this award totaled 128,205 based on the $0.39 closing price of the Company's stock on November 14, 2022. Ms. Brady is also scheduled to receive share awards of the Company's common stock with a total value of $50,000, $60,000, $70,000 and $75,000 as of the last day of the Company's fiscal year from its 2023 fiscal year through its 2026 fiscal year, respectively. The number of shares awarded is to be based on the average price of the Company's stock on the date of the award. Each award will vest in one-third increments, with the first third vesting on the date of the award, the second third vesting on the first anniversary of the award and the final third vesting on the second anniversary of the award. Ms. Brady also received a $5,000 sign-on bonus. The Brady Employment Agreement has a term of five years and entitles Ms. Brady to participate in any deferred compensation plan the Company may adopt during the term of her employment with the Company.

Effective June 1, 2022, the Company and Dale Van Voorhis, the Company's Chairman of the Board, entered into an employment agreement (the "2022 Van Voorhis Employment Agreement"). Mr. Van Voorhis has been part of the Company's executive management since 2009, and most recently served as the Company's Interim CEO until Ms. Brady was hired. Mr. Van Voorhis will serve as Special Advisor to the CEO through May 31, 2023. Pursuant to the 2022 Van Voorhis Employment Agreement, Mr. Van Voorhis receives annual compensation in the amount of $100,000 through May 31, 2023 and $50,000 from June 1, 2023 through May 31, 2024. In addition, Mr. Van Voorhis will serve as a member of the Company's Strategic Growth and Audit Committees during the two year term of his employment with the Company.

NOTE 6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Employment Agreements:

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.

Each of the foregoing employment agreements contains provisions for severance compensation in the event an agreement is (i) terminated early by the Company without cause ($291,667 in aggregate) or (ii) in the event of a change in control of the Company ($381,667 in aggregate), as well as disability and death payment provisions ($174,167 in aggregate). As of April 2, 2023, the Company has not adopted any deferred compensation plans.

NOTE 7. INCOME TAXES

For the six month period ended April 2, 2023, the Company reported a pre-tax loss of $1.31 million. The Company recorded an income tax benefit of $310,400 for the six month period ended April 2, 2023, comprised of a federal benefit of $265,300 and a State of Georgia benefit of $45,100. For the six month period ended April 3, 2022, the Company reported a pre-tax loss of $586,030. The Company's net income tax benefit of $112,400 for the six month period ended April 3, 2022 was comprised of a federal benefit of $125,800 and a State of Georgia expense of $13,400.

NOTE 8. COMMITMENTS AND CONTINGENCIES

On December 16, 2022, the Company received notice that on August 10, 2022 a former employee of Aggieland Wild Animal – Texas, filed a Complaint in the 361st District Court of Brazos County, Texas (case no. 22-001839-CV-361), alleging the Company and Aggieland-Parks, Inc. committed several instances of employment discrimination. The Complaint seeks unspecified economic, compensatory and punitive damages, as well as attorney's fees and costs. The Company is vigorously defending this claim.

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 was seeking damages of $540,000, as well as interest and expenses. The trial date was set for February 14, 2023. Effective August 5, 2022, the Company agreed to pay the plaintiffs $100,000 to settle this Complaint and obtain a full release for any related complaints. The release was completed on August 26, 2022, the Company issued payment for the settlement amount on August 31, 2022, and an order of dismissal was filed on September 19, 2022.

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 9. 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		For the six months ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Total revenues:				
Georgia	$ 1,050,455	$ 1,340,581	$ 2,389,596	$ 2,649,021
Missouri	270,827	232,712	490,592	502,814
Texas	554,183	513,281	856,656	879,497
Consolidated	$ 1,875,465	$ 2,086,574	$ 3,736,844	$ 4,031,332
Income (loss) before income taxes:				
Georgia	$ 117,091	$ 383,035	$ 505,189	$ 781,805
Missouri	(114,132)	(169,123)	(276,701)	(575,032)
Texas	(69,614)	(30,987)	(225,878)	(161,392)
Segment total	(66,655)	182,925	2,610	45,381
Corporate	(402,089)	(188,426)	(625,791)	(541,032)
Tornado expenses and write-offs	(632,372)	-	(632,372)	-
Other income, net	31,666	19,386	61,279	46,292
Interest expense	(56,489)	(67,775)	(115,225)	(136,671)
Consolidated	$ (1,125,939)	$ (53,890)	$ (1,309,499)	$ (586,030)

	As of	
	April 2, 2023	October 2, 2022
Total assets:		
Georgia	$ 8,502,978	$ 9,402,877
Missouri	3,045,963	3,468,730
Texas	8,050,138	8,074,421
Corporate	535,511	157,578
Consolidated	$ 20,134,590	$ 21,103,606

NOTE 10. FAIR VALUE MEASUREMENTS

As of April 2, 2023 and October 2, 2022, the fair value of our long-term debt was $4.29 million and $4.61 million, respectively. The measurement of the fair value of long-term debt is based upon inquiries of the financial institutions holding the respective loans and is considered a Level 2 fair value measurement.

The respective carrying values of cash, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments.

NOTE 11. SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to April 2, 2023 to the date these financial statements were issued and has determined, except for the matters disclosed in "NOTE 3. TORNADO EXPENSES AND ASSET WRITE-OFFS," no material subsequent events have occurred from the date of these unaudited consolidated financial statements.

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 2, 2022.

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”).

Our parks are open year round, but experience increased seasonal attendance, typically beginning in the latter half of March through early September. Combined third and fourth quarter net sales were 62.1% and 60.3% of annual attendance based net sales for our 2022 and 2021 fiscal years, respectively. Since the acquisition of our Texas Park, the combined third and fourth quarter concentration of our sales has been reduced.

During March 26-27, 2023, our Georgia Park experienced extensive damage, caused by an EF-3 tornado and over nine inches of rain, resulting in more than 4,500 fallen trees and damage to many of the Park’s animal enclosures, fencing and other infrastructure. The Walkabout Adventure Zoo (“Walkabout”) portion of the property was particularly hard hit. Our Georgia Park was closed for 20 days, including for most of its traditionally busy spring break period, which has historically comprised approximately 10%-15% of its annual revenue. The drive-through safari section of our Georgia Park reopened on April 15 and a portion of the Walkabout section reopened on May 6. We anticipate reopening an additional section of our Georgia Park Walkabout by Memorial Day weekend.

For the three month and six month periods ended April 2, 2023, we recorded $381,676 of tornado related expenses, primarily due to tree and other debris removal, repairing and replacing underground water pipes throughout the property, as well as general clean-up efforts. In addition, we recorded tornado and severe weather related asset write-offs of $250,696, primarily associated with damage to various animal exhibits, several buildings, fencing and other infrastructure. Subsequent to April 2, 2023, approximately $490,000 of additional tornado related clean-up, repair and reopening expenses have been incurred or are expected to be incurred in our 2023 fiscal year.

As of April 2, 2023 we have recorded initial capital investments of $110,642 related to tornado damage rebuilding projects and approximately $500,000 of additional tornado related capital spending is anticipated through October 1, 2023. We are working with our insurance providers regarding tornado damage related coverage and anticipated proceeds are not expected to exceed $700,000, factoring in deductibles and co-insurance. We are also working with local, state, and federal agencies to explore options to assist with offsetting tornado related clean-up, repair and rebuilding costs.

As a result of the near-term needs associated with the tornado recovery effort at our Georgia Park, we are in the process of revising our 2023 fiscal year capital investment plan. Two significant new marketable attractions in our Georgia Park Walkabout, an enhanced ring-tailed lemur exhibit and new aviary, featuring macaws and a budgie parrot feeding experience, were not significantly impacted by the tornado event and opened on May 6, 2023. In addition, a new marquee otter exhibit was recently completed in our Missouri Park Walkabout and a fourth drive-through pasture at our Texas Park opened in early March 2023, allowing guests to feed zebras and camels directly from their vehicles.

Our initial 2023 fiscal year capital plan also included investment in fleet vehicles, roadways and other necessary safety-related capital projects. Due to the significant unplanned spending driven by the Georgia tornado, we have paused our project related to accessing public water in Texas as well as several other minor projects in order to manage cash flow. Our capital investment activity for the balance of our 2023 fiscal year will focus on rebuilding and enhancing several of our Georgia Park Walkabout exhibits, as well as replacing guest pathways and fencing. Our plan to open a significant new giraffe exhibit at our Georgia Park during our 2022 fiscal year experienced delays due to a highly inflationary period for building materials and a challenging labor market. While we remain committed to this showcase attraction, the recent tornado has caused the management team to reprioritize capital projects. We expect to establish a revised timeline for this project during our 2024 fiscal year.

We continue to believe our 2023 fiscal year capital plan sets the stage for longer-term master planning and optimization at each of our parks. The new and enhanced animal exhibits featured in our 2023 capital plan reflect the launch of a multi-year process to reimagine the Walkabout portion of our parks. The pacing and focus of these efforts have been altered by the recent Georgia Park tornado event. As we work to rebuild the Walkabout portion of our Georgia Park, we are working to strike a balance between reopening quickly and rebuilding in a manner consistent with our longer-term vision. Our current forecasts anticipate spending approximately $1.50 million in capital during our 2023 fiscal year, which will again be fully funded from our existing cash and continues to demonstrate our commitment to building for long-term, sustainable growth.

We are committed to leveraging the strong operating model we have established at our Georgia Park at all three of our properties, with a focus on increasing attendance through enhanced marketing efforts and focused capital investments, as well as continuing to prudently increase the average revenue generated per guest visit via concession and gift shop revenues. In addition to rebuilding and improvements to our Georgia Park Walkabout, among our highest priorities over the next several years is continuing the integration of our Texas Park, continual enhancement of the overall guest experience at each of our parks, as well as the introduction of new programming and enhanced marketing efforts. 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 encouraged by the higher levels of attendance at our Missouri Park starting in the spring of 2020 and plan on leveraging the increased exposure of this facility to continue to build on this recent success.

Our long-term business plan also includes expansion via the acquisition of additional local or regional theme parks and attractions. We believe acquisitions, if any, should not unnecessarily encumber the Company with additional debt that cannot be justified by current operations. We may also pursue contract management opportunities for themed attractions owned by third parties. By using a combination of equity, debt and other financing options, we intend to carefully monitor stockholder value in conjunction with the pursuit of growth.

Strong annual operating cash flow over the past several fiscal years has provided us with incremental operating margin, funded significant increases in capital investment, and provided us with the financial strength to complete the Aggieland Safari acquisition. However, our current size and operating model leaves 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 segment.

Results of Operations for the Three Month Period Ended April 2, 2023 as Compared to Three Month Period Ended April 3, 2022

The following table shows our consolidated and segment operating results for the three month periods ended April 2, 2023 and April 3, 2022:

	Georgia Park		Missouri Park		Texas Park		Consolidated	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Total revenues	$1,050,455	$1,340,581	$ 270,827	$ 232,712	$554,183	$513,281	$ 1,875,465	$2,086,574
Segment income (loss) from operations	117,091	383,035	(114,132)	(169,123)	(69,614)	(30,987)	(66,655)	182,925
Segment operating margin %	*11.1%*	*28.6%*	*-42.1%*	*-72.7%*	*-12.6%*	*-6.0%*	*-3.6%*	*8.8%*
Corporate expenses							(402,089)	(188,426)
Tornado expenses and write-offs							(632,372)	-
Other income, net							31,666	19,386
Interest expense							(56,489)	(67,775)
Loss before income taxes							$(1,125,939)	$ (53,890)

Total Net Sales

Our total revenues for the three month period ended April 2, 2023 were $1.88 million, a decrease of $211,109, compared to the three month period ended April 3, 2022. Our combined park revenues decreased by $226,887 or 10.9%, while animal sales increased by $15,778. As a result of a tornado and severe weather event, our Georgia Park was closed for the final eight days of the three month period ended April 2, 2023, during the comparable eight day period in the prior year, our Georgia Park generated park revenues of approximately $303,500. On a pro forma basis, assuming flat park revenues for our Georgia Park during the severe weather closure period, our park revenues for the three months ended April 2, 2023 increased by 3.7%.

Georgia park revenues were $1.05 million, a decrease of $288,004 or 21.5%, and animal sales decreased $2,122. On a pro forma basis, assuming flat sales during the severe weather closure period, Georgia park revenues increased by approximately $15,500 or 1.2%. Missouri park revenues increased by $38,115 or 16.4%, to $270,827. Texas park revenues increased by $23,002 or 4.5%, to $536,283, while animal sales increased by $17,900.

For the three month period ended April 2, 2023, paid attendance at our Missouri and Texas Parks increased by approximately 45.4%, and 9.0%, respectively. Georgia Park paid attendance decreased by 21.8%. Adjusted for the tornado damage closure, on a pro forma basis, Georgia Park paid attendance decreased by 0.8%.

Segment Operating Margin

Our segment loss from operations was $66,655 for the three month period ended April 2, 2023, a net decrease of $249,580, compared to a segment income from operations of $182,925 for the three month period ended April 3, 2022. Our Georgia Park generated segment operating income of $117,091, a decrease of $265,944, primarily attributable to estimated lost park revenue margin of $280,000 due to the tornado damage park closure. Our Missouri Park generated a segment operating loss of $114,132, a decrease of $54,991, primarily attributable to higher park revenues and favorable cost of sales. Our Texas Park generated a segment operating loss of $69,614, an increase of $38,627, as higher advertising, compensation and general operating expenses, as well as higher depreciation and asset write-offs, more than offset higher park revenues and favorable cost of sales.

Corporate Expenses

Corporate expenses increased by $213,663 to $402,089 during the three month period ended April 2, 2023, primarily due to higher compensation expense attributable to the 2023 fiscal year executive transition and higher professional fees, as well as the shift of director compensation into three months ended April 2, 2023.

Tornado Expenses and Write-offs

As a result of the tornado and severe weather damage at our Georgia Park during March 26-27, 2023, for the three month period ended April 2, 2023, we recorded $381,676 of tornado related expenses, primarily due to tree and other debris removal, repairing and replacing underground water pipes throughout the property, as well as general clean-up and reopening efforts. In addition, we recorded tornado and severe weather related asset write-offs of $250,696, primarily associated with damage to various animal exhibits, several buildings, fencing and other infrastructure.

Other Income, Net

Other income, net for the three month period ended April 2, 2023 increased by $12,280, to $31,666, attributable to higher interest income, partially offset by lower mineral rights royalty income from our Texas Park property.

Interest Expense

Interest expense for the three month period ended April 2, 2023 decreased by $11,286, to $56,489, primarily attributable to a reduction in term loan interest, as well as imputed interest on a right of use asset in the prior year.

Income Taxes

For the three month period ended April 2, 2023, we reported a pre-tax loss of $1.13 million. Based on a year-to-date blend of federal and State of Georgia pre-tax losses, we recorded an income tax benefit of $279,800 for the three month period ended April 2, 2023.

Net Loss and Loss Per Share

For the three month period ended April 2, 2023, we reported a net loss of $846,139 or $0.01 per basic share and per fully diluted share, compared to a net loss of $51,690 or $0.00 per basic share and per fully diluted share, for the three month period ended April 3, 2022, resulting in an increase of $794,449. The increase in our reported net loss for the three month period ended April 2, 2023 is largely attributable to the after-tax impact of the tornado recovery and write-offs charge of $469,572 recorded in the three month period ended April 2, 2023. Excluding this charge, our adjusted net loss was $376,567 resulting in an increase of $324,877, primarily attributable to a $265,944 decrease in segment income for our Georgia Park, a $213,663 increase in Corporate expenses, and a $38,627 increase in the segment loss for our Texas Park, partially offset by a $54,991 decrease in the segment loss for our Missouri Park, a $12,280 increase in other income, a $11,286 decrease in interest expense and a $114,800 increase in our adjusted seasonal income tax benefit.

Results of Operations for the Six Month Period Ended April 2, 2023 as Compared to Six Month Period Ended April 3, 2022

The following table shows our consolidated and segment operating results for the six month periods ended April 2, 2023 and April 3, 2022:

	Georgia Park		Missouri Park		Texas Park		Consolidated	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Total revenues	$2,389,596	$2,649,021	$ 490,592	$ 502,814	$ 856,656	$ 879,497	$ 3,736,844	$4,031,332
Segment income (loss) from operations	505,189	781,805	(276,701)	(575,032)	(225,878)	(161,392)	2,610	45,381
Segment operating margin %	*21.1%*	*29.5%*	*-56.4%*	*-114.4%*	*-26.4%*	*-18.4%*	*0.1%*	*1.1%*
Corporate expenses							(625,791)	(541,032)
Tornado expenses and write-offs							(632,372)	-
Other income, net							61,279	46,292
Interest expense							(115,225)	(136,671)
Income before income taxes							$(1,309,499)	$ (586,030)

Total Net Sales

Our total revenues for the six month period ended April 2, 2023 were $3.74 million, a decrease of $294,488, compared to the six month period ended April 3, 2022. Our combined park revenues decreased by $351,359 or 8.7%, while animal sales increased by $56,871. As a result of a tornado and severe weather event, our Georgia Park was closed for the final eight days of the six month period ended April 2, 2023, during the comparable eight day period in the prior year, our Georgia Park generated park revenues of approximately $303,500. On a pro forma basis, assuming flat park revenues for our Georgia Park during the severe weather closure period, our park revenues for the six months ended April 2, 2023 decreased by 1.2%.

Georgia park revenues were $2.35 million, a decrease of $301,103 or 11.4%, while animal sales increased $41,678. On a pro forma basis, assuming flat sales during the severe weather closure period, Georgia park revenues increased by approximately $2,400 or 0.1%. Missouri park revenues decreased by $9,515 or 1.9%, to $490,592, while animal sales decreased by $2,707. Texas park revenues decreased by $40,741 or 4.6%, to $838,756, while animal sales increased by $17,900.

For the six month period ended April 2, 2023, paid attendance at our Missouri Park increased by approximately 5.7%, while paid attendance at our Georgia and Texas Parks decreased by 15.7% and 4.9%, respectively. Adjusted for the tornado damage closure, on a pro forma basis, Georgia Park paid attendance decreased by 5.7%.

Segment Operating Margin

Our segment income from operations was $2,610 for the six month period ended April 2, 2023, a decrease of $42,771, compared to a segment income from operations of $45,381 for the six month period ended April 3, 2022. Our Georgia Park generated segment operating income of $505,189, a decrease of $276,616, primarily attributable to estimated lost park revenue margin of $280,000 due to the tornado damage park closure. Our Missouri Park generated a segment operating loss of $276,701, a decrease of $298,331, primarily attributable to lower special event and advertising expenses, lower compensation and operating expenses, as well as favorable cost of sales, partially offset by lower park revenues. Our Texas Park generated a segment operating loss of $225,878, an increase of $64,486, primarily attributable to lower park revenues, higher compensation and general operating expenses, as well as higher depreciation and asset write-offs, partially offset by favorable cost of sales and lower advertising expense.

Corporate Expenses

Corporate expenses increased by $84,759 to $625,791 during the six month period ended April 2, 2023 primarily due to higher compensation expense attributable to the 2023 fiscal year executive transition, as well as higher director and professional fees.

Tornado Expenses and Write-offs

As a result of the tornado and severe weather damage at our Georgia Park during March 26-27, 2023, for the six month period ended April 2, 2023, we recorded $381,676 of tornado related expenses, primarily due to tree and other debris removal, repairing and replacing underground water pipes throughout the property, as well as general clean-up and reopening efforts. In addition, we recorded tornado and severe weather related asset write-offs of $250,696, primarily associated with damage to various animal exhibits, several buildings, fencing and other infrastructure.

Other Income, Net

Other income, net for the six month period ended April 2, 2023 increased by $14,987, to $61,279, attributable to higher interest income, partially offset by lower mineral rights royalty income from our Texas Park property.

Interest Expense

Interest expense for the six month period ended April 2, 2023 decreased by $21,446, to $115,225, primarily attributable to a reduction in term loan interest, as well as imputed interest on a right of use asset in the prior year.

Income Taxes

For the six month period ended April 2, 2023, we reported a pre-tax loss of $1.31 million. Our income tax benefit of $310,400 for the six month period ended April 2, 2023 is based on our estimated 2023 fiscal year blended effective federal and state income tax rate of approximately 24.0%.

Net Loss and Loss Per Share

For the six month period ended April 2, 2023, we reported a net loss of $999,099 or $0.01 per basic share and per fully diluted share, compared to a net loss of $473,630 or $0.01 per basic share and per fully diluted share, for the six month period ended April 3, 2022, resulting in an increase of $525,469. The increase in our reported net loss for the six month period ended April 2, 2023 is primarily attributable to the after-tax impact of the tornado recovery and write-offs charge of $469,572 recorded in the six month period ended April 2, 2023. Excluding this charge, our adjusted net loss was $529,527, resulting in an increase of $55,897, primarily attributable to a $276,616 decrease in segment income for our Georgia Park, a $84,759 increase in Corporate expenses, and a $64,486 increase in the segment loss for our Texas Park, partially offset by a $298,331 decrease in the segment loss for our Missouri Park, a $14,987 increase in other income, a $21,446 decrease in interest expense and a $35,200 increase in our adjusted seasonal income tax benefit.

The following table shows our adjusted net income for the three month and six month periods ended April 2, 2023 and April 3, 2022:

	For the three months ended		For the six months ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Net loss	$ (846,139)	$ (51,690)	$ (999,099)	$ (473,630)
Tornado expenses and write-offs	632,372	-	632,372	-
Tax impact - Tornado expenses and write-offs	(162,800)	-	(162,800)	-
Adjusted net loss	$ (376,567)	$ (51,690)	$ (529,527)	$ (473,630)

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 2022 fiscal year we did not utilize any seasonal borrowing, nor do we anticipate using any seasonal borrowing during our 2023 fiscal year.

Our working capital was $3.10 million as of April 2, 2023, compared to $4.67 million as of October 2, 2022. The decrease in working capital primarily reflects cash used for capital investments, scheduled term loan payments and net cash used in operating activities during the six month period ended April 2, 2023.

Total loan debt, including current maturities, as of April 2, 2023 was $4.60 million compared to $4.96 million as of October 2, 2022. The decrease in total loan debt is the result of scheduled term loan payments during the six month period ended April 2, 2023.

As of April 2, 2023, we had equity of $14.42 million and total loan debt of $4.60 million, resulting in a debt to equity ratio of 0.32 to 1.0, compared to 0.32 to 1.0 as of October 2, 2022.

Operating Activities

Net cash used in operating activities was $286,377 for the six month period ended April 2, 2023, compared to $323,088 for the six month period ended April 3, 2022, resulting in a decrease of $36,711, as our higher net loss was offset by higher noncash charges and lower net cash used for working capital.

Investing Activities

Net cash used in investing activities was $958,106 for the six month period ended April 2, 2023, compared to $1.15 million for the six month period ended April 3, 2022, resulting in a decrease of $188,070. Our capital spending for the six month period ended April 2, 2023 was $952,640, compared to $1.16 million for the six month period ended April 3, 2022.

Financing Activities

Net cash used in financing activities was $365,921 for the six month period ended April 2, 2023, compared to $510,466 for the six month period ended April 3, 2022, resulting in a decrease of $144,545. During the six months ended April 3, 2022, we made $160,863 of payments on a financing lease obligation.

Subsequent Events

During March 26-27, 2023, our Georgia Park experienced extensive damage, caused by an EF-3 tornado and over nine inches of rain, resulting in the closure of the Park for 20 days and significant clean-up and repair expenditures. For more information regarding this matter see “NOTE 3. TORNADO EXPENSES AND ASSET WRITE-OFFS” of the Notes to the Consolidated Financial Statements (Unaudited) included in this Quarterly Report.

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 2, 2022 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 April 2, 2023 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 December 16, 2022, we received notice that on August 10, 2022 a former employee of Aggieland Wild Animal – Texas, filed a Complaint in the 361st District Court of Brazos County, Texas (case no. 22-001839-CV-361), alleging the Company and Aggieland-Parks, Inc. committed several instances of employment discrimination. The Complaint seeks unspecified economic, compensatory and punitive damages, as well as attorney's fees and costs. We are vigorously defending this claim.

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 was seeking damages of $540,000, as well as interest and expenses. The trial date was set for February 14, 2023. Effective August 5, 2022, we agreed to pay the plaintiffs $100,000 to settle this Complaint and obtain a full release for any related complaints. The release was completed on August 26, 2022, we issued payment for the settlement amount on August 31, 2022 and an order of dismissal was filed on September 19, 2022.

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 2, 2022. 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:

Conditions beyond our control, including natural disasters or extreme weather, 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, hurricanes or extreme weather events linked to climate change, 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, during March 26-27, 2023, our Georgia Park experienced extensive damage, caused by an EF-3 tornado and over nine inches of rain, resulting in more than 4,500 fallen trees and damage to many of the Park's animal enclosures, fencing and other infrastructure. Our Georgia park was subsequently closed for 20 days, including for most of its traditionally busy spring break period, which has historically comprised approximately 10%-15% of its annual revenue. Also, during February 2021 our Texas Park was closed for several weeks, experienced power outages and sustained property damage associated with several severe winter storms.

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.

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 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. Similarly, our plans to open a new giraffe exhibit at out Georgia Park experienced delays during our 2022 fiscal year, in large part due to building material price increases and labor shortages in the construction industry.

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 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 our licenses on a periodic basis. The suspension, termination or expiration of one or more of these licenses could have a significant adverse effect on our revenues and profits. In addition, any changes to the 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. 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 negatively impact our results of operations. We also depend on a seasonal workforce, many of whom are paid at or near 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 may increase our salary, wage and benefit expenses in our 2023 fiscal year and beyond, and further legislative changes or competitive wage rates could continue to increase these expenses in the future.

Data privacy regulation and our ability to comply could harm our business.

We (or third parties on our behalf) collect, store and use personal information and other customer data we receive through online ticket sales, marketing, mailing lists, and guest reservations. There are multiple federal, state and local laws regarding privacy and protection of personal information and data, and these laws and regulations continue to evolve. For example, many states have passed laws requiring notification to customers when there is a security breach involving their personal data and multiple jurisdictions are considering legislation that may impose liability if a business fails to properly safeguard personal information of its customers. Maintaining compliance with applicable security and privacy regulations may increase our operating costs. While we believe our cybersecurity measures are adequate, if we were to experience a data breach, we could be subject to fines, penalties and/or costly litigation.

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
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.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

May 16, 2023

By: */s/ Lisa Brady*
Lisa Brady
Chief Executive Officer
(Principal Executive Officer)

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, Lisa Brady, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Parks! America, Inc. (the “registrant”) for the quarter ended April 2, 2023;

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: May 16, 2023

/s/ Lisa Brady

Lisa Brady
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 April 2, 2023;

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: May 16, 2023

/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 April 2, 2023 (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: May 16, 2023

/s/ Lisa Brady
Lisa Brady
Chief Executive Officer
(Principal Executive Officer)
Parks! America, Inc.

Dated: May 16, 2023

/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.