PARKS AMERICA, INC
Form 10-Q/A
March 30, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q /A

Amendment No. 1

(Mark One)

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

For the quarterly period ended June 28, 2009

OR

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

For the transition period from __________ to __________

COMMISSION FILE NUMBER 000-51254

Parks! America, Inc.

(Exact Name of registrant 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 X .

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 X . 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 smaller reporting company)	Smaller reporting company X .

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

As of August 12, 2009, the issuer had 53,606,537 outstanding shares of Common Stock.

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PRELIMINARY NOTE

Parks! America, Inc. (the Company , Parks , or we) originally filed with the Securities and Exchange Commission (the SEC) our Quarterly Report on Form 10-Q for the period ended June 28 , 2009, on August 13, 2009 (the Original June 2009 Report). We are filing this Amendment No. 1 (Amendment No. 1) to carry forward the disclosure provided in other reports filed with the SEC by the Company which contain a more detailed narrative account of the impact of our corrections of the Company s treatment of certain debt forgiven by a company that is owned and controlled by Larry Eastland, the former Chairman of the Board of Directors, President and Chief Executive Officer of the Company, in connection with his separation from the Company on March 28, 2009 as further described below. This more detailed account is consistent with our revised disclosure contained in Amendment No. 2 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 which was filed with the SEC on March 5, 2010.

EXPLANATORY NOTE

In late 2008, Mr. Eastland presented the Company s Board of Directors of the Company with a list of expenses that, in the aggregate, exceeded $275,000. Mr. Eastland claimed that these expenses were incurred on behalf of the Company over two fiscal years by LEA Management LLC (LEA), a company Mr. Eastland owned and controlled. At that time, Mr. Eastland was the Chairman of the Board and the President and CEO of the Company. The Board considered the expenses submitted by Mr. Eastland and agreed to recognize a portion of such expenses by restating our financial statements contained in our annual report for the year ended December 31, 2007 and recording $146,914 of corporate spending in such financial statements and by restating our financial statements for the year ended December 31, 2008 and recording another $129,189 of corporate spending in such financial statements. Partially offsetting these payables to LEA was a receivable from Mr. Eastland in the amount of $74,242, leaving the Company with a net payable to LEA at December 31, 2008 of $201,861. The Board requested the resignation of Mr. Eastland shortly thereafter. As of March 28, 2009, Mr. Eastland resigned as an officer and director of the Company.

In connection with Mr. Eastland s resignation, Mr. Eastland and the Company entered into a separation agreement dated as of March 28, 2009. As part of this agreement, the Company and Mr. Eastland agreed that the LEA Expenses recorded by the Company would be forgiven by Mr. Eastland and LEA. The parties also agreed that LEA owed the Company $62,500 for services provided to LEA by the Company s Park Staffing Services subsidiary. This amount was forgiven by the Company. When these two amounts were netted against each other, the result was an expense of $131,866 (the LEA Related Expenses) which was reflected in our financial reports for the first time in our Quarterly Report on Form 10-Q for the period ended March 31, 2009 (the Original March 2009 Report). The net effect of the LEA Related Expenses (which were forgiven) was disclosed in the Original March 2009 Report as a reduction to a Restructuring Charge . Subsequent to the filing of the Original March 2009 Report the Company reclassified the LEA Debt Forgiveness as Additional Paid in Capital, and amended and increased the Restructuring Charge for the period. Parks amended and restated the Original March 2009 Report to reflect this reclassification.

We are filing this Amendment to carry forward the more detailed narrative account regarding the reclassification of the LEA Debt Forgiveness. **The financial information as reported in the Original June 2009 Report has not changed in this Amendment No. 1.**

PART I

ITEM 1. FINANCIAL STATEMENTS.

PARKS! AMERICA, INC. and SUBSIDIARIES

FORMERLY KNOWN AS GREAT AMERICAN FAMILY PARKS, INC

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PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

At June 28, 2009 (Unaudited) and December 31, 2008 (Audited)

ASSETS		**June 28, 2009 (Unaudited)**		**December 31, 2008 (Audited)**
Current Assets				
Cash unrestricted	$	235,388	$	72,814
Cash restricted		38,630		38,812
Stock (at market value)		-		10,500
Inventory		136,823		133,492
Prepaid expenses		43,186		100,563
Discontinued operations current assets		-		876,169
Total Current Assets		454,027		1,232,350
Property and Equipment, net				
(includes discontinued P&E of $0 and $35,135, respectively)		6,975,536		7,128,412
Other Assets				
Intangible assets, net		14,593		18,690
Note receivable		3,000		3,000
Deposits		10,683		10,683
Discontinued operations other assets		-		446,667
Total Other Assets		28,276		479,040
TOTAL ASSETS	$	7,457,839	$	8,839,802
LIABILITIES AND STOCKHOLDERS EQUITY				
Current Liabilities				
Accounts payable	$	61,519	$	10,114
Accrued expenses		632,787		359,638
Note payable related party		-		201,861
Notes payable lines of credit		174,000		321,000
Current maturities of long term debt		178,349		173,906
Discontinued operations current liabilities		-		801,640
Total Current Liabilities		1,046,655		1,868,159
Long-term Debt				
Long term obligations		4,039,788		4,541,162

(includes discontinued operations debt of $0 and $393,015)

TOTAL LIABILITIES		5,086,443		6,409,321
STOCKHOLDERS EQUITY				
Common stock; 300,000,000 shares authorized, at $.001 par value; 53,606,537 shares issued and outstanding		53,606		52,106
Capital in excess of par		4,606,256		4,460,890
Treasury stock		(250)		(250)
Accumulated deficit		(2,288,216)		(2,082,265)
TOTAL STOCKHOLDERS EQUITY		2,371,396		2,430,481
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$	7,457,839	$	8,839,802

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

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

For the Three and Six Months Ended June 28, 2009 and June 30, 2008

	Three months ended June 28, 2009 (Unaudited)	Three months ended June 30, 2008 (Restated) (Unaudited)	Six months ended June 28, 2009 (Unaudited)	Six months ended June 30, 2008 (Restated) (Unaudited)
NET SALES	$ 1,226,432	$ 1,122,652	$ 1,658,080	$ 1,475,014
COST OF SALES	156,129	122,706	242,311	192,491
GROSS PROFIT	1,070,303	999,946	1,415,769	1,282,523
OPERATING EXPENSES				
Selling, general and administrative	812,023	686,201	1,335,793	1,262,385
Restructuring charges	0	0	204,090	0
Depreciation & amortization	79,506	58,472	161,971	106,640
Total Operating Expenses	891,529	744,673	1,701,854	1,369,025
INCOME (LOSS) FROM OPERATIONS	178,774	255,273	(286,085)	(86,502)
OTHER INCOME (EXPENSES)				
Interest income	0	0	109	1,456
Rental income	900	1,800	2,300	3,638
Other income	23,907	5,300	30,612	5,637
Other (expenses)	0	(736)	0	(14,721)
Interest expense	(96,103)	(108,479)	(184,128)	(152,938)
Gain (loss) on sale of assets	1,535	19,624	178,272	22,671
Total Other Income (Expenses)	(69,761)	(82,491)	27,165	(134,257)
NET INCOME (LOSS) BEFORE INCOME TAXES	109,013	172,782	(258,920)	(220,759)

PROVISION FOR TAXES		0		0		0		0
INCOME (LOSS) FROM CONTINUING OPERATIONS		109,013		172,782		(258,920)		(220,759)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS		52,969		(53,925)		52,969		126,567
NET PROFIT (LOSS)	$	161,982	$	118,857	$	(205,951)	$	(94,192)
WEIGHTED OUTSTANDING SHARES (in 000's)		52,106		52,106		52,106		52,106
NET LOSS PER SHARE	$	0.00	$	0.00	$	0.00	$	0.00

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

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PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY (UNAUDITED)

As of June 28, 2009

	Common Stock		Additional Paid in Capital	Treasury Stock	Accumulated Deficit	Total
	Shares	Amount				
Balance, December 31, 2007	51,886,537	$ 51,886	$ 4,443,510	$ -	$ (620,753)	$ 3,874,643
Issuance of common stock to directors and officers	220,000	220	17,380	-	-	17,600
Treasury stock returned				(250)		(250)
Net loss for the year ended December 31, 2008	-	-	-	-	(1,461,512)	(1,461,512)
Balance, December 31, 2008	52,106,537	52,106	4,460,890	(250)	(2,082,265)	2,430,481
Common stock issued as compensation to officers	1,500,000	1,500	13,500	0	0	15,000
Increase in contributed capital for shareholder debt forgiveness			131,866			131,866
Net loss for the period ended June 28, 2009	-	-	-	-	(205,951)	(205,951)
Balance, June 28, 2009	53,606,537	$ 53,606	$ 4,606,256	$ (250)	$ (2,288,216)	$ 2,371,396

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

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Six Months Ended June 28, 2009 and June 30, 2008

		Six months ended June 28, 2009 (Restated) (Unaudited)		Six months ended June 30, 2008 (Restated) (Unaudited)
Cash Flows from Operating Activities:				
Net loss for the period	$	(205,951)	$	(94,092)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:				
Depreciation expense & amortization		161,971		106,640
Forgiven indebtedness note payable - related party		(201,861)		-
Decrease in contributed capital for shareholder receivable write off		(62,500)		
Increase contributed capital - shareholder debt forgiveness		194,366		-
Share based compensation		15,000		-
Changes in Assets and Liabilities				
Decrease in prepaid expenses and taxes		57,377		22,488
(Increase) in inventory		(3,331)		(10,000)
Decrease in short term securities		10,500		-
Increase in accrued expenses		273,149		97,182
Increase (decrease) in accounts payable		51,405		(1,918)
Net Cash From Operating Activities		290,125		120,300
Cash Flows from Investing Activities:				
Acquisition of property and equipment		(40,133)		(544,996)
Purchase Wild Animal, Inc.		-		(250,000)
Capitalization of loan fees		-		(6,200)
(Increase) decrease in restricted cash		182		(38,525)
Net Cash Used In Investing Activities		(39,951)		(839,721)
Cash Flows from Financing Activities:				

Increase in note payable related party		-		85,894
Proceeds from note payable and lines of credit		-		499,728
Payments on note payable and lines of credit		(147,000)		(30,000)
Payments on note payable		(103,916)		(33,396)
Issuance of common stock		-		17,600
Net Cash Provided by (Used In) Financing Activities		(250,916)		539,826
Cash Flows Provided by (Used in) Discontinued Operations		163,316		(66,569)
Net Increase (Decrease) in Cash		162,574		(246,164)
Cash at beginning of period		72,814		378,610
Cash at end of period	$	235,388	$	132,446
Supplemental Cash Flow Information:				
Cash paid for interest	$	177,771	$	198,996
Cash paid for income taxes	$	0	$	0
Supplemental Disclosure of Non-Cash Activities:				
Non-cash investments in property and equipment through financing arrangements	$	0	$	1,750,000

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

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

June 28, 2009

NOTE 1 - ORGANIZATION

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

On December 19, 2003, Royal Pacific Resources, Inc. acquired the assets of Great Western Parks LLC, including the Crossroads Convenience Center LLC., pursuant to a Share Exchange Agreement that resulted in our assuming control and changing the corporate name to Great American Family Parks, Inc. The acquisition was accounted for as a reverse acquisition in which Great Western Parks was considered to be the acquirer of Royal Pacific Resources for reporting purposes. Our common stock outstanding increased from 2,533,000 to 29,600,000 as a result of the acquisition. On June 11, 2008 the Company changed its name from Great American Family Parks, Inc. to Parks! America, Inc.

The Company, through its wholly-owned subsidiaries Wild Animals, Inc., a Missouri corporation and Wild Animal Safari, Inc. a Georgia corporation, owns and operates two regional theme parks. For more information regarding the acquisition and subsequent re-conveyance of Park Staffing Services LLC (formerly known as tempServe LLC) see note 7. For financial reporting purposes, Parks Services is presented as a discontinued operation. The parks are open year round but experience increased seasonal attendance April through August.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and include the following: local conditions, events, disturbances and terrorist activities, accidents occurring at our parks, adverse weather conditions, competition with other theme parks and other entertainment alternatives, changes in consumer spending patterns, credit market and general economic conditions; and any future legal proceedings.

On June 13, 2005, the Company acquired the Georgia theme park.

On September 30, 2007, the Company acquired assets from tempServe LLC outlined in note 7.

On March 6, 2008, the Company acquired assets for a Missouri theme park outlined in note 8.

On June 11, 2008, the Company changed its name from Great American Family Parks, Inc. to Parks! America, Inc.

On January 1, 2009, the Company re-conveyed Park Staffing Services LLC back to the original owners outlined in note 7 and this business is presented as a discontinued operation.

2.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The audited consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). 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. All such adjustments are of a normal and recurring nature.

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

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

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

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

June 28, 2009

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 and then only the basic per share amounts are shown in the report.

Basic and diluted net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding in each period. Potentially dilutive shares, consisting of 14,300,000 warrants, are not included in the calculation of diluted loss per share because their effect is anti-dilutive.

Revenue Recognition: The major source of income is received from theme park admissions. Theme park revenues from admission fees are recognized upon receipt of the cash at the time of our customers visit to the parks. No theme park ticket sales are made in advance. Short term seasonal passes are sold primarily during the summer seasons and are negligible to our results of operations and are not material.

Trade Accounts Receivable: The theme parks are a cash business therefore there are no receivables on the books of the Company.

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

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

Financial and Concentrations Risk: The Company does not have any concentration or related financial credit risks except for cash and notes receivable, however, the Company considers the accounts to be fully collectible at the recorded amounts. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Principles of Consolidation: The accompanying consolidation financial statements include the accounts of the Company and its subsidiaries (Wild Animal Safari, Inc in Georgia and Wild Animal, Inc. in Missouri). Park Staffing Services, LLC is reported as a discontinued operation. Results of operations and cash flows are included for the period subsequent to the acquisition dates and include the accounts of Wild Animal Safari, Inc. and Wild Animal, Inc. All material inter-company accounts and transactions have been eliminated in consolidation.

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

Fiscal Year: Commencing on June 28, 2009, the Company changed its fiscal and quarterly reporting to 52/53 week fiscal year ending with the last Sunday in December of each calendar year. This is effective with the filing of the second quarter form 10Q which is as of June 28, 2009. The Company is making this change in order to align its fiscal year more closely with its weekly and monthly comparability of sales results to prior periods presented. As a result of this fiscal year change, fiscal year 2009 will have four less days, or 1.1% decrease in days over 2008. The second quarter report has two less days than last year s report. The change is not significant to the Company s consolidated financial statements for the periods presented.

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

June 28, 2009

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Advance from Factor: Prior to the re-conveyance of Park Staffing Services (as described in note 7), the Company used a factor for cash flow and receivables in support of the Park Staffing Services business. The factor was an entity owned by the shareholders of Computer Contract Service, Inc. (CCS), the entity from which the Company originally acquired the assets of tempServ (See Note 7). Under the factoring agreement, the factor purchased certain trade accounts receivable and assumed minimal credit risks with respect to such accounts for a factoring charge negotiated as a percentage of the invoice amount assigned. The Company also obtained advances against the receivables assigned. The Company was contingently liable to the factor for merchandise disputes, customer claims, and the like, on receivables sold to the factor. The factor also held a security interest in certain receivables. Accordingly, the Company has presented its accounts receivables related to the Park Staffing Services business in the discontinued current assets at net realizable value and presented its borrowings from the factors in its discontinued operations current liability. As of June 28, 2009, the Company has $0 receivables related to Park Staffing Services and there are no amounts owed to the factor at June 28, 2009.

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

	June 28, 2009	**December 31, 2008**
Land	$ 2,505,180	$ 2,505,180
Buildings	2,912,024	2,906,466
Facilities and Improvements	706,431	688,720
Furniture & Fixtures	117,774	105,484
Ground Improvements	749,945	749,945
Park animals	584,318	584,168
Rides & entertainment	40,000	40,000
Vehicles	162,196	157,772
Sub-total	7,777,868	7,737,735
Accumulated Depreciation	(802,332)	(644,458)
Total Assets from Continuing Operations	6,975,536	7,093,277

Net Assets from Discontinued Operations	-	35,135
Total Net Assets	$ 6,975,536	$ 7,128,412

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

Goodwill: Goodwill was initially recorded as the excess of the purchase price over the fair value of the net assets acquired. Goodwill is not amortized. We are required to evaluate goodwill for impairment on at least an annual basis, or sooner if required to do so. As of June 28, 2009, the Company has no goodwill.

Other Intangible assets: Other intangible assets include franchising fees, loan fees, payroll software, intangibles or continuing contracts and a covenant not to compete are reported at cost. Franchising and loan fees are amortized over a period of 60 months and payroll software over a period of 36 months.

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.

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

June 28, 2009

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Stock Based Compensation: Prior to January 1, 2006 the company accounted for stock based compensation under recognition and measurement principles of SFAS No. 123 and as permitted under APB Opinion No. 25, and related interpretations. Effective January 1, 2006 the company adopted FAS 123R using the modified prospective method which recognizes compensation costs on a straight-line basis over the requisite service period of the SFAS No. 123R requires that cash flows resulting from tax deductions in excess of the cumulative compensation cost recognized for options exercised be classified as cash inflows from financing activities and cash outflows from operating activities. The company also applies SFAS No. 123R and EITF No. 96-18 stock based compensation to non-employees. No activity has occurred in relation to stock options during the period ended June 28, 2009. Stan Harper returned 5,000,000 stock warrants of the Company as part of the re-conveyance of Park Staffing back to him. 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 Company recognizes the expense based on the Share price at time of the grant. The Company issued 25,000 Shares to each Director for their service in 2008.

The Company awarded a total of 1,500,000 shares of restricted common stock on June 26, 2009 to two Company officers. The Company valued these restricted shares at $0.01, based upon the trading history of the Company s common stock on the OTC Bulletin Board, application of a marketability discount (based upon the limited trading volume) and application of a liquidity discount because the shares are restricted.

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

Other Recent Accounting Pronouncements: The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

In June 2006, the FASB issued Interpretation No. 48 (FIN48), Accounting for Uncertainty in Income Taxes . This interpretation requires companies to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. FIN 48 provides guidance on de-recognition, classification, accounting in interim periods and disclosure requirements for tax contingencies. FIN 48 is effective for fiscal years beginning after December 15, 2006. The differences between the amounts recognized in the statements of financial position prior to the adoption of FIN 48 and the amounts reported after adoption will be accounted for as a cumulative-effect adjustment recorded to the beginning balance of retained earnings. The Company adopted FIN48 on January 1, 2007 and has determined that the impact of the adoption of FIN 48 is insignificant to the Company s consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement No. 157, Fair Value Measurements . SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is evaluating the impact of this new pronouncement to the Company s financial position and results of operations or cash flows.

PARKS! AMERICA, INC. and SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

June 28, 2009

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Recent Accounting Pronouncements: (continued)

In September 2006, the FASB issued Statement No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R) . SFAS 158 requires companies to recognize the overfunded or underfunded status of a defined benefit post-retirement plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur through comprehensive income, effective for fiscal years ending after December 15, 2006. SFAS 158 also requires companies to measure the funded status of the plan as of the date of its fiscal year-end, with limited exceptions, effective for fiscal years ending after December 15, 2008. The Company does not expect the adoption of SFAS 158 to have a material impact on the Company s financial position or results of operations, as the Company does not currently have any defined benefit pension or other post-retirement plans.

In September 2006, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 108 (SAB 108), Financial Statements - Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements . SAB 108 provides guidance on how prior year misstatements should be taken into consideration when quantifying misstatements in current year financial statements for purposes of determining whether the current year s financial statements are materially misstated. SAB 108 provides that once a current year misstatement has been quantified, the guidance in SAB No. 99, Financial Statements Materiality , should be applied to determine whether the misstatement is material and should result in an adjustment to the financial statements. Under certain circumstances, prior year financial statements will not have to be restated and the effects of initially applying SAB 108 on prior years will be r