

GREAT AMERICAN FAMILY PARKS INC  
Form 10QSB  
November 20, 2007

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

**Form 10-QSB**

(Mark One)

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QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER \_\_\_\_\_

**GREAT AMERICAN FAMILY PARKS, INC.**

(Name of small business issuer in its charter)

Nevada  
(State or other jurisdiction of

91-0626756  
(I.R.S. Employer

incorporation or organization)

Identification No.)

**3420 Ocean Park Boulevard, Suite 3000**

**Santa Monica, CA 90405**

(Address of principal executive offices)

Issuer's telephone Number: **(310) 450-9100**

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 S No £

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of November 16, 2007, the issuer had 51,886,537 outstanding shares of Common Stock, \$.001 par value per share.

Transitional Small Business Disclosure Format (check one): Yes £ No S

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**GREAT AMERICAN FAMILY PARKS, INC.**

**SEPTEMBER 30, 2007 QUARTERLY REPORT ON FORM 10-QSB**

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**PART I FINANCIAL INFORMATION****Item 1.****Financial Statements.*****GREAT AMERICAN FAMILY PARKS, INC and SUBSIDIARIES*****CONSOLIDATED BALANCE SHEETS UNAUDITED**

September 30, 2007

**ASSETS****CURRENT ASSETS**

|                              |    |           |
|------------------------------|----|-----------|
| Cash                         | \$ | 608,948   |
| Accounts receivable - trade  |    | 260       |
| Receivable - related parties |    | 302,445   |
| Inventory                    |    | 58,439    |
| Prepaid expenses             |    | 3,308     |
| Prepaid insurance            |    | 163,806   |
| Total Current Assets         |    | 1,137,206 |

|   |  |           |
|---|--|-----------|
| <b>PROPERTY AND EQUIPMENT</b> , net of depreciation |  | 4,924,486 |
|---|--|-----------|

**OTHER ASSETS**

|   |  |           |
|---|--|-----------|
| Goodwill and intangible assets, net of amortization |  | 1,285,028 |
| Covenant not to compete                             |  | 50,000    |
| Note receivable, Idaho Chevron                      |  | 300,000   |
| Franchise and loan fees, net of amortization        |  | 24,832    |
| Deposits  |  | 10,683    |
| Total Other Assets                                  |  | 1,670,525 |

|                     |    |           |
|---------------------|----|-----------|
| <b>TOTAL ASSETS</b> | \$ | 7,732,235 |
|---------------------|----|-----------|

**LIABILITIES AND SHAREHOLDERS' EQUITY**

**CURRENT LIABILITIES**

|                                   |    |         |
|-----------------------------------|----|---------|
| Accounts payable                  | \$ | 68,321  |
| Accrued expenses                  |    | 39,025  |
| Current portion of long-term debt |    | 125,001 |
| Total Current Liabilities         |    | 232,347 |

**LONG-TERM DEBT**

|                 |  |           |
|-----------------|--|-----------|
| Long-term notes |  | 2,908,773 |
|-----------------|--|-----------|

**EQUITY**

|   |  |           |
|---|--|-----------|
| Common stock  |  |           |
| 300,000,000 shares authorized, at \$.001 par value; |  |           |
| 51,886,537 shares issued and outstanding            |  | 51,886    |
| Capital in excess of par value                      |  | 4,443,510 |
| Warrants for stock subscription                     |  | 272,528   |
| Retained earnings (deficit)                         |  | (176,809) |
| Total equity  |  | 4,591,115 |

|   |    |           |
|---|----|-----------|
| <b>TOTAL LIABILITIES and STOCKHOLDERS' EQUITY</b> | \$ | 7,732,235 |
|---|----|-----------|

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

**GREAT AMERICAN FAMILY PARKS, INC and SUBSIDIARIES****CONSOLIDATED STATEMENT OF OPERATIONS UNAUDITED**

For the Three and Nine Months Ended September 30, 2007 and 2006

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|  | Three Months     |                  | Nine Months      |                  |
|--|------------------|------------------|------------------|------------------|
|  | Sept 30,<br>2007 | Sept 30,<br>2006 | Sept 30,<br>2007 | Sept 30,<br>2006 |
| <b>SALES</b>                             | \$ 559,712       | \$ 3,352,566     | \$ 2,157,852     | \$ 8,185,073     |
| <b>COST OF SALES</b>                     | 167,914          | 2,599,423        | 204,574          | 6,040,317        |
| Gross profit                             | 391,798          | 753,143          | 1,953,278        | 2,144,756        |
| <b>OPERATING EXPENSES</b>                |                  |                  |                  |                  |
| Administrative                           | 249,564          | 877,984          | 1,545,526        | 2,005,037        |
| Depreciation and amortization            | 43,678           | 70,289           | 131,034          | 190,747          |
| Total operating expenses                 | 293,242          | 948,273          | 1,676,560        | 2,195,784        |
| <b>NET PROFIT (LOSS) FROM OPERATIONS</b> | 98,566           | (195,130)        | 276,718          | (51,028)         |
| <b>OTHER INCOME &amp; EXPENSES</b>       |                  |                  |                  |                  |
| Other Income                             | 16,755           | 7,311            | 180,289          | 21,361           |
| Interest Expense                         | (29,466)         | (52,206)         | (135,003)        | (187,273)        |
| <b>NET PROFITS (LOSS)</b>                | \$ 85,845        | \$ (240,025)     | \$ 322,004       | \$ (216,940)     |

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



*GREAT AMERICAN FAMILY PARKS, INC and SUBSIDIARIES***CONSOLIDATED STATEMENT OF CASH FLOWS UNAUDITED**

Nine Months Ended September 30, 2007 and 2006

|   | <b>Sept 30,<br/>2007</b> | <b>Sept 30,<br/>2006</b> |
|---|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Net profit  | \$ 322,004               | \$ (216,940)             |
| Adjustments to reconcile net profit/loss to net cash provided by operating activities |                          |                          |
| Depreciation  | 131,034                  | 190,747                  |
| Issuance of capital for expenses  | -                        | 122,200                  |
| Changes in Inventory  | -                        | (35,034)                 |
| Accounts receivable   | (281,234)                | (6,854)                  |
| Prepaid expenses & deposits   | 99,200                   | (114,384)                |
| Accounts payable  | (59,740)                 | 93,785                   |
| Net change from operations  | 211,264                  | 33,520                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                          |
| Purchase of intangibles   | (1,355,028)              | -                        |
| Purchase of property and equipment  | (322,881)                | (74,063)                 |
|   | (1,657,909)              | (74,063)                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                          |
| Proceeds from loans purchase  | 762,500                  | -                        |
| Proceeds from loans related parties   | -                        | 197,179                  |
| Payments on mortgage payable  | (42,050)                 | (85,358)                 |
|   | 720,450                  | 111,821                  |
| Net change in cash  | (726,195)                | 71,278                   |
| Cash at beginning of period   | 1,335,143                | 63,213                   |

|                       |    |         |    |         |
|-----------------------|----|---------|----|---------|
| Cash at end of period | \$ | 608,948 | \$ | 134,491 |
|-----------------------|----|---------|----|---------|

**SUPPLEMENT DISCLOSURE OF CASH FLOW INFORMATION**

|                  |    |         |    |         |
|------------------|----|---------|----|---------|
| Interest expense | \$ | 135,003 | \$ | 135,067 |
|------------------|----|---------|----|---------|

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

***GREAT AMERICAN FAMILY PARKS, INC and SUBSIDIARIES***

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2007

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**1.**

**ORGANIZATION**

Great American Family Parks, Inc. (GAFP) (formerly Royal Pacific Resources, Inc) is a Nevada corporation formed during 2002 for the purpose of merging with Painted Deseret Uranium and Oil Company, Inc., a Washington corporation, incorporated in 1954, with the merger being completed on July 25, 2002.

On December 23, 2003 GAFP completed the acquisition of all member interests in Crossroads Convenience Center, LLC (CCC) from Great Western Parks, LLC by issuance of 27,067,000 shares of common capital stock representing 91.4% of the outstanding stock after the acquisition, which was accounted for a reverse acquisition, in which Great Western Parks, LLC was considered to the acquirer of Royal Pacific Resources Inc. for reporting purposes. The outstanding stock of GAFP before the acquisition was 2,533,000 and after 29,600,000. The continuing operations of the business are those of CCC including its prior historical retroactive restatement of CCC's historical members' equity to reflect the equivalent number of shares of common stock issued in the acquisition.

Crossroads Convenience Center, LLC (CCC) was organized under the laws of the state of Idaho on June 18, 1998. CCC's primary business activity is operating a retail convenience center, which includes a Chevron gasoline station, and a convenience store in Nampa, Idaho. The assets and business activity of CCC were sold in October and December of 2006.

On June 13, 2005, the Company acquired the theme park outlined in note 3.

On September 30, 2007, the Company acquired assets from TempServe LLC outlined in note 8

**2.**

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policy relative to the carrying value of property and equipment is indicated in the caption of the balance sheet. Other significant accounting policies are as follows:

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

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

**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.

**Revenue Recognition:** The major source of income is received in the form of cash sales from a convenience center and gas station, and theme park. Revenue is recognized upon receipt of the cash from the sale of a product or service.

***GREAT AMERICAN FAMILY PARKS, INC and SUBSIDIARIES***

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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2.

**SIGNIFICANT ACCOUNTING POLICIES - continued**

***Advertising and Market Development:*** The Company expenses advertising and market 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.

CCC is a limited liability company with all tax attributes passing through to its members. Before the acquisition date of December 23, 2003, the income of CCC passed through to the former members. Accordingly, there is no provision for income taxes in the accompanying financial statements associated with the income of CCC prior to acquisition.

After acquisition by GAFP the income or loss of CCC passes through to GAFP, the sole member of CCC. On September 30, 2007 the Company and its subsidiaries had a net operating loss available for carry forward of \$176,809.

The tax benefit of approximately \$135,000 from the loss carry forward has been fully offset by a valuation reserve because the use of future benefit is doubtful since the Company is unable to project a reliable future net income. The loss carry-forward expires beginning in the year 2024.

***Principles of Consolidation:*** The accompanying consolidation financial statements include the accounts of GAFP (parent), and its subsidiaries (CCC, Wild Animal Safari, Inc and Park Servicing LLC.). Revenue and expenses of GAFP are included for the period subsequent to December 23, 2003 and includes the accounts of CCC and Wild Animal Safari, Inc. from their inceptions. All material inter-company accounts and transactions have been eliminated.

***Financial and Concentrations Risk:*** The Company does not have any concentration or related financial credit risks except for the accounts receivable and a note receivable, however, the Company considers the accounts to be fully collectible.

**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.

**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.

|                               |    |           |
|-------------------------------|----|-----------|
| Land                          | \$ | 1,762,005 |
| Building and improvements     |    | 2,722,522 |
| Equipment                     |    | 349,660   |
| Animals                       |    | 470,501   |
| Less accumulated depreciation |    | (380,202) |
| Net                           | \$ | 4,924,486 |

**GREAT AMERICAN FAMILY PARKS, INC AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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2.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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.

**Goodwill and Intangibles:** Goodwill and intangible assets are accounted for as purchased, see note 8. Goodwill is not amortized but reviewed every year for impairment.

**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, impairment will be recognized in an amount determined by the excess of the carrying amount of the asset over its fair value.

**Financial Instruments:** The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short-term maturities.

**Stock Based Compensation:** Prior to October 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 October 1, 2005 the company adopted FAS 123R using the modified prospective method recognizing compensation costs on a straight-line basis over the requisite service period of the award. SFAS No. 123R requires that cash flows resulting from tax deductions in excess of the cumulative compensation cost recognizes 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.

**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.

3.

**MORTGAGE PAYABLE    THEME PARK**

On November 8, 2004, the Company entered into an Asset Purchase Agreement with Ron Snider & Associates, Inc. to purchase animals and other park property for a theme park in Pine Mountain Georgia for \$700,000, with an extended closing date of June 13, 2005. At closing the Company paid \$350,000 and a promissory note for the balance. The promissory note includes interest at 7.5% per annum and will be payable in eighty-three monthly installments of principle and interest of \$5,368. The Company also entered into a Real Estate Purchase Agreement with individuals and a partnership for the acquisition of the land underlying the theme park site, including the improvements, buildings, and fixtures for \$4,000,000. The Company paid \$2,000,000 and a promissory note for \$2,000,000 for the balance at closing. The note for the purchase of the real property will bear interest at 7.5% per annum and will be payable in eighty-three monthly installments of principle and interest of \$30,676. Both notes are secured by a first priority security agreement on the assets and a first priority security on the real estate.



**GREAT AMERICAN FAMILY PARKS, INC AND SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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3.

**MORTGAGE PAYABLE    THEME PARK (continued)**

On November 17, 2005 Wild Animal Safari, Inc. (subsidiary) completed the refinancing of the debt incurred on June 13, 2005, above, in the acquisition of the Wild Animal Safari theme park from Ron Snider & Associates, Inc. and related entities. This refinancing was obtained from Commercial Bank & Trust Company to Troup County in LaGrange, Georgia. As a result of this refinancing, Ron Snider & Associates, Inc. and its affiliated entities were paid in full and the liens which were held by those entities against the Wild Animal Safari theme park assets were released. In place of the original seven year financing, which was provided by the Snider entities, there is now a loan due by Wild Animal Safari, Inc. to Commercial Bank & Trust.

This new loan will be repaid in monthly installments based on a twenty year amortization schedule. The interest rate on the new loan is 7.75% for the first five years. The interest rate will be renegotiated at the end of the initial five years of the payment term on November 17, 2010, but as part of the refinancing the bank has agreed to extend the payment term for an additional fifteen years after November 17, 2010, subject to no default. The new loan is secured by a first priority security agreement and a first priority security deed on the Wild Animal Safari theme park assets. The old loan had a monthly payment of \$30,767 and the new loan a monthly payment of \$18,883.

In addition, on November 17, 2005, Wild Animal Safari, Inc. (subsidiary) obtained a line of credit loan from Commercial Bank & Trust Company of Troup County for working capital purposes in the principal amount of \$200,000. This line of credit loan is renewable annually, subject to the satisfactory performance by Wild Animal Safari theme park assets.

At December 31, 2006, the scheduled future principal maturities for the note are as follows:

| Year Ending | Amount |
|-------------|--------|
| December 31 |        |

|                 |           |
|-----------------|-----------|
| 2007            | 59,418    |
| 2008            | 64,190    |
| 2009            | 69,345    |
| 2010            | 74,530    |
| 2011 thereafter | 1,975,840 |

**4.**

**NOTES PAYABLE    TEMPSERVE**

On September 30, 2007, the scheduled future principal maturities for the note are as follows:

| Year Ending<br>December 31 | Amount  |
|----------------------------|---------|
| 2007                       | 58,249  |
| 2008                       | 182,176 |
| 2009                       | 193,411 |
| 2010                       | 128,663 |

***GREAT AMERICAN FAMILY PARKS, INC AND SUBSIDIARIES***

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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**5.**

**CAPTIAL STOCK**

On September 27, 2004, the Company issued 2,984,400 private placement common shares for cash, and 2,059,200 warrants under a Purchase Agreement dated June 10, 2004. Each warrant includes the right to purchase an additional common share at \$.30 per share at any time within five years.

During 2005 the Company completed an offering of 11,128,000 common shares for cash. Included as part of the sale were warrants to purchase 11,128,000 common shares at any time before June 23, 2010 at an exercise price of \$.35.

On the date of this report none of the warrants had been exercised and no value has been recognized.

During 2005 the Company issued 624,000 common shares for service and expenses at \$.30 per share and during 2006 6,940,000 common shares for services at \$.15 per share.

**6.**

**SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES**

Officer-director s and their controlled entities have acquired 29% of the outstanding common stock of the Company, and during the year ended December 31, 2005 the Company paid \$169,480 in salaries to officers, and during 2006 \$314,300. For the nine months ended September 30, 2007 the Company paid \$232,770 in salaries.

On September 30, 2007 the Company had a no interest demand loan due from an affiliate of \$90,600, \$86,845, and no interest demand loans due from related parties of \$125,000. All are scheduled for payoff in 2007.

The affiliation resulted by common officers of the affiliates and the Company.

**Employment Agreements:** On February 1, 2005, the Company entered into separate employment agreements with four officers which provides for base annual salaries of aggregate payments of \$260,000, as compensation for the part-time employment of the officers until a second theme park is acquired. Each agreement has a base term of three years effective February 1, 2005 and provides for base annual salaries of \$120,000 to Larry Eastland, the president and CEO, \$40,000 to Dale Van Voorhis, the CFO and \$60,000 to James Meikle, president of the theme park. The agreements are renewable for an additional period of two years, unless notice is given to the contrary. Upon the acquisition of a second theme park, the salaries increase to aggregate payments of \$330,000 and provides for base annual salaries of respectively \$170,000, \$60,000, and \$100,000. With the acquisition of additional theme parks, salaries will be reviewed with consideration given to resulting increased work and responsibility. Health insurance is provided in the form of Blue Cross Plan for two officers and their families.

The president of the Company will receive an annual cash bonus based upon percentage of the Company's pre-tax income for each fiscal year covered by the employment agreement at a percentage of 2%. No bonus is payable unless the Company earns pre-tax income in the excess of \$500,000.

***GREAT AMERICAN FAMILY PARKS, INC AND SUBSIDIARIES***

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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**6.**

**SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)**

Each of the employment agreements also provides for the payment of additional severance compensation in amounts based on a formula of not less than three times the executive's then current base salary, at any time during the term when either of the following occurs: (i) the agreement is terminated by the Company without cause (as defined therein), or (ii) terminated by the executive due to change in control (as defined therein). These agreements also entitle the officers to participate in stock option plans to be set up. Upon hiring additional marketing personnel, the Company may enter into additional employment agreements, which the Company anticipates may contain similar terms to our existing employment agreements.

**7.**

**SALE OF ASSETS AND OPERATING OF CROSSROADS CONVENIENCE CENTER LLC**

During October and December 2006 the Company sold the assets and operations of Crossroads Convenience Center LLC (CCC) for cash, payment of Company debt and an 8% \$300,000 note receivable due in 2011. The note is secured by 300,000 restricted common shares of the Company and can be sold to pay the note at the option of the Company.

**8.**

**OPERATING SEGMENT DISCLOSURE**

Included in the following are the condensed operating statements of Great America Family Parks, Inc. (administrative division), Wild Animal Safari, Inc. (Theme Park), and Crossroads Convenience Center, LLC (CCC) for the nine months ended September 30, 2006.

GAFP is the administrative division that serves CCC and the Theme Park.

CCC is a wholly owned subsidiary of the Company, which operates a retail convenience center, including a Chevron gasoline station and a convenience store in Nampa, Idaho. The assets and the operations were sold in October and December 2006.

Theme Park is a wholly owned subsidiary of the Company and operates a wild animal theme park located in Pine Mountain, Georgia. The cost of sales shown for the theme park includes all direct costs, including supplies, park wages, animal food, truck expense, and maintenance.

There were no inter-company operational transactions and no provisions for income tax have been provided because a net operating loss carry-forward is available to offset any profit.

***GREAT AMERICAN FAMILY PARKS, INC AND SUBSIDIARIES***

**NOTES TO FINANCIAL STATEMENTS (Continued)**

September 30, 2007

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**9.**

**PURCHASE OF TEMP SERVE, NOW RENAMED PARK STAFFING SERVICES, LLC**

On September 30, 2007, the Company entered into an Asset Purchase Agreement with Computer Contact Service, Inc. ( CCS ), Stanley Harper and Troy Davis to acquire substantially all of the assets of tempSERV (now renamed Park Staffing Services, LLC) ( Park Staffing Services ), a division of CCS.

Park Staffing Services, which is located in Bakersfield, California, provides temporary industrial, construction, service, and clerical staffing services nationwide. In addition to the more traditional functions job placement, payroll and personnel administration, Park Staffing Services provides screening, testing, counseling and supervision of its placements.

The acquisition was completed on September 30, 2007. Assets acquired by the Company pursuant to the Agreement include: (i) certain fixed assets, equipment, fixtures, leasehold improvements located at tempSERV 's office in Bakersfield, California; (ii) certain intellectual property of tempSERV; (iii) the goodwill of tempSERV; (iv) certain contracts related to the assets acquired by the Company.

The consideration for the assets acquired by the Company was an aggregate of \$1,162,500, consisting of \$522,683 in cash, and a promissory note in the principal amount of \$762,500 paid by Park Staffing Services, LLC ( the Note ) and a warrant to purchase 5,000,000 shares of the Company 's common stock at a price of \$0.05 per share (the Warrant ). The Note shall be paid out of the cash flow of Park Staffing Services in 36 equal monthly installments, in the amount of \$17,292.41 each, commencing on January 1, 2008, and continuing through December 1, 2010. The Warrant is exercisable for all or a portion of the shares at the option of the holder and transferable at any time or from time to time on or after the date on which the warrant is issued, provided that annual revenue generated from Park Staffing Services, LLC exceeds \$7 million, and that each transfer of shares does not result in the annual sale of more than 25% of the aggregate number of the shares issuable upon exercise of the warrants. Intangible Appraisers, Inc. appraised the value of the warrants at \$272,528.

The purchase of assets consisted of cash of \$522,683, notes of \$762,500, and warrants valued at \$272,528 for a total of \$1,557,711.

The purchase price was allocated as follows:

|                               |           |
|-------------------------------|-----------|
| Cash                          | 25,000    |
| Prepaid deposit and insurance | 97,683    |
| Furniture and fixtures        | 100,000   |
| Goodwill and intangibles      | 1,285,028 |
| Covenant not to compete       | 50,000    |
|                               | 1,557,711 |



**Item 2.**

**Management's Discussion and Analysis or Plan of Operation.**

The information in this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This Act provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. All statements other than statements of historical fact made in this report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations.

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included elsewhere in this report and with our annual report on Form 10-KSB for the fiscal year ended December 31, 2006. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

**Overview**

Great American Family Parks is in the business of acquiring, developing and operating local and regional theme parks and attractions both in the U.S. and internationally. We are in the process of building a family of parks primarily through acquisitions of small local or regional privately owned parks. Our goal is to develop a series of compatible, but distinct entertainment and amusement products including themed amusement parks, associated products, food and beverage, and multimedia offerings. The implementation of this strategy has begun with themed amusement parks and attractions. Our business plan is to acquire existing properties with three criteria in mind:

.  
Properties that have an operating history and are profitable;

.  
Properties where our management team believes the potential exists to increase profits and operating efficiencies; and

Properties where there is additional, underutilized land upon which to expand operations.

It also is our belief that acquisitions should not unnecessarily encumber the Company with debt that cannot be justified by current operations. By using a combination of equity, debt and other non-traditional financing options, we intend to carefully monitor shareholder value in conjunction with our pursuit of growth.

Great American Family Parks, Inc. is the parent corporation of the following wholly owned subsidiaries:

(1) GFAM Management Corporation, an Idaho corporation. GFAM Management Corporation is responsible for overall management of all operating entities, which includes our Wild Animal Safari theme park and any additional theme parks we may acquire. GFAM Management Corporation does not generate any revenues separate from the operating units at present;

(2) Wild Animal Safari, Inc., a Georgia corporation that operates and owns the Wild Animal Safari theme park in Pine Mountain, Georgia.

## **Results of Operations**

### **Three Months Ended September 30, 2007 Compared to Three Months Ended September 30, 2006**

Revenues for the three months ended September 30, 2007 were \$559,712 compared to \$3,352,566 for the three months ended September 30, 2006. This represents a decrease of \$2,792,854 or 83.3% comparing the two periods. The decrease in revenue for the three months ended September 30, 2007 is primarily the result of the sale of Crossroads Convenience Center, LLC.

Gross profit decreased by \$361,345, or 48 %, to \$391,798 for the three months ended September 30, 2007 compared to \$753,143 for the three months ended September 30, 2006. The change in gross profit is primarily the result of increased receipts at Wild Animal Safari, Inc and the elimination of the convenience store, which had high sales volumes, but low gross profit margins.

For the three months ended September 30, 2007, selling, general and administrative expenses totaled \$249,564. This was a decrease of \$528,420 or 28.4%. The net decrease in selling, general and administrative expenses is a result of expanded volume of operations for the amusement park, the elimination of the convenience store, and an adjustment of general expenses.

Interest expense was \$29,466 and \$52,206 for the three months ended September 30, 2007 and 2006, respectively. This was a increase of \$22,740 or 43.6%. The reason for this decrease was the elimination of long term debt on Crossroads Convenience Center and the decrease in long term debt.

Our net profit was \$85,845 for the three months ended September 30, 2007 compared to a net loss of \$240,025 for the three months ended September 30, 2006. The increase in profitability for the three months ended September 30, 2007 was due to the improved operations at Wild Animal Safari Inc, management fees and the elimination of the marginal performance from the convenience store.

#### **Nine Months Ended September 30, 2007 Compared to Nine Months Ended September 30, 2006**

Revenues for the nine months ended September 30, 2007 were \$2,157,852 compared to \$8,185,073 for the nine months ended September 30, 2006. This represents a decrease of \$6,027,221, or 73.6% comparing the two periods. The decrease in revenue for the nine months ended September 30, 2007 is primarily the result of the sale of Crossroads Convenience Center, LLC.

Gross profit decreased by \$604,260, or 28.2%, to \$1,510,496 for the nine months ended September 30, 2007 compared to \$2,144,756 for the nine months ended September 30, 2006. The change in gross profit is primarily the result of increased receipts at Wild Animal Safari, Inc and the elimination of the convenience store, which had high sales volumes, but low gross profit margins.

For the nine months ended September 30, 2007, selling, general and administrative expenses totaled \$1,102,744. This was a decrease of \$902,293 or 45 %. The increase in selling, general and administrative expenses is a result of expanded volume of operations for the amusement park, the elimination of the convenience store and an adjustment of general expenses.

Interest expense was \$135,003 and \$187,273 for the nine months ended September 30, 2007 and 2006, respectively. This was a decrease of \$52,270 or 27.9%. The reason for this decrease was the elimination of long term debt on Crossroads Convenience Center and the decrease in long term debt.

Our net profit was \$322,004 for the nine months ended September 30, 2007 compared to net loss of \$216,940 for the nine months ended September 30, 2006. The increase in profitability for the nine months ended September 30, 2007 was due to the improved operations at Wild Animal Safari Inc, management fees and the elimination of the marginal performance from the convenience store.

### **Liquidity and Capital Resources**

Our total current assets at September 30, 2007 were \$1,137,206 including \$608,948 in cash, as compared with \$387,714 in total current assets at September 30, 2006, which included cash of \$134,491. Additionally, we had shareholder equity in the amount of \$4,318,569 at September 30, 2007, as compared to shareholder equity of \$2,404,371 at September 30, 2006.

Our accounts receivable at September 30, 2007 was \$302,705, compared to \$2,621 at September 30, 2006. The change in accounts receivable is primarily due to the elimination of the convenience store and a receivable for management services.

As of September 30, 2007, we had a positive working capital of \$904,859 as compared to a deficiency of \$473,144 at June 30, 2006. A major portion of our debt was attributed to consulting fees and attorney fees. The sale of Crossroads Convenience Center reduced these debts, and created cash to start expansion of the amusement park.

The current portion of long-term debt at September 30, 2007 was \$125,001 compared to \$94,027 as of September 30, 2006.

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As of September 30, 2007, our total bank debt was \$2,908,773 as opposed to \$2,893,503 at the end of September 30, 2006. The long term debt for Crossroads Convenience Center was paid in full.

We believe that we have sufficient cash, other current assets and operating cash flow to sustain foreseeable organic growth throughout the next fiscal year. Management intends to seek additional needed funds through financings or other avenues such as loans, the sale and issuance of additional debt and/or equity securities, or other financing arrangements for acquisitions and expansions. Any future capital raised by our company is likely to result in substantial dilution to existing stockholders.

Our principal source of income is from cash sales, which are expected to provide sufficient cash flow to service our current debt.

### **Financings**

During the second quarter of 2005, we obtained funding needed to complete the purchase of Wild Animal Safari through a private placement of approximately 11,128,000 shares of our common stock and 11,128,000 warrants resulting in gross proceeds of approximately \$3,338,400. We will require additional debt and/or equity funding in order to pursue our strategy of acquiring additional theme parks, which is our intended business plan. However, we will be able to support our operations over the next 12 months from our revenues even if the funding necessary to complete further potential acquisitions does not materialize.

On June 13, 2005, we completed our acquisition of the assets of Ron Snider & Associates, Inc. also known as Pine Mountain Wild Animal Park, located in Pine Mountain, Georgia. At closing, we paid \$350,000 in cash and a promissory note for \$350,000. The promissory note bears interest at 7.5% per annum and is payable in eighty-three monthly payments of principal and interest of \$5,368. We also entered into a Real Estate Purchase agreement for the underlying land and all buildings, improvements and fixtures of the park for \$4,000,000. We paid \$2,000,000 in cash at closing and issued a promissory note for \$2,000,000. The note bore interest at 7.5% per annum and was payable in eighty-three monthly payments of principal and interest of \$30,676. Both notes were secured by a first priority Security Agreement on the operating assets and a first Security Deed on the real estate. An agreement extension payment of \$50,000 for extension of closing was also paid in addition to 50,000 shares of Company stock.

On November 17, 2005, our wholly owned subsidiary, Wild Animal Safari, Inc., completed the refinancing of the debt we incurred on June 13, 2005 in connection the acquisition of the Wild Animal Safari theme park from Ron Snider & Associates, Inc. and related entities. A new loan in the principal amount of \$2,300,210 was obtained from Commercial Bank & Trust Company of Troup County in LaGrange, Georgia. As a result of this refinancing, the promissory notes in the aggregate principal amount of \$2,350,000 that were issued to Ron Snider & Associates, Inc. and its affiliated entities were paid in full and the liens which were held by those entities against the Wild Animal Safari theme park assets were released. The new loan is secured by a first priority security agreement and a first priority security deed on the Wild Animal Safari theme park assets.

In addition, on November 17, 2005, our Wild Animal Safari, Inc. subsidiary obtained a line of credit loan from Commercial Bank & Trust Company of Troup County for working capital purposes in the principal amount of \$200,000. This line of credit loan is renewable annually, subject to the satisfactory performance by Wild Animal Safari, Inc. under the terms of the line of credit. It is also secured by a lien on the Wild Animal Safari theme park assets.

### **Off Balance Sheet Arrangements**

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

### **Summary of Significant Accounting Policies**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of any contingent assets and liabilities. On an on-going basis, we evaluate our estimates. We base our estimates on various assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An infinite number of variables can be posited that could have an effect on valuation of assets and liabilities. For example, it is assumed that:

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Revenue and profit growth at Wild Animal Safari subsidiary will continue;

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The infrastructure will accommodate the additional customers;

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Cost of improvements and operations will remain a relatively stable budgeted allocation;

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Per capita spending by the customers will continue to rise in relation to the rise in capital expenditures;

If any one of these assumptions, or combination of assumptions, proves incorrect, then the values assigned to real estate, per capita revenues, attendance and other variables that have remained consistent over the past two years may not be realized. The same would be true if higher than expected revenue streams occurred.

### **Item 3.**

#### **Controls and Procedures.**

We maintain disclosure controls and procedures that are designed to ensure that the information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that this information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and

procedures are effective in timely alerting him to material information required to be included in our periodic reports with the Securities and Exchange Commission.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.



**PART II**

**Item 1.**

**Legal Proceedings.**

We are not a party to any pending legal proceedings, other than routine litigation deemed incidental to our business. There are no legal, administrative, arbitral, governmental or other proceedings, actions or governmental investigations of any nature pending or, to the best knowledge of the Company, threatened, against the Company, which could result in a material loss to the Company. The Company is not subject to any order, judgment, injunction, rule or decree that has or could result in a material loss to the Company.

**Item 2.**

**Unregistered Sales of Equity Securities and Use of Proceeds.**

Not applicable.

**Item 3.**

**Defaults Upon Senior Securities.**

Not applicable.

**Item 4.**

**Submission of Matters to a Vote of Security Holders.**

Not applicable.

**Item 5.**

## Other Information

On September 30, 2007, the Company entered into an Asset Purchase Agreement with Computer Contact Service, Inc. ( CCS ), Stanley Harper and Troy Davis to acquire substantially all of the assets of tempSERV (now renamed Park Staffing Services, LLC) ( Park Staffing Services ), a division of CCS.

Park Staffing Services, which is located in Bakersfield, California, provides temporary industrial, construction, service, and clerical staffing services nationwide. In addition to the more traditional functions job placement, payroll and personnel administration, Park Staffing Services provides screening, testing, counseling and supervision of its placements.

The acquisition was completed on September 30, 2007. Assets acquired by the Company pursuant to the Agreement include: (i) certain fixed assets, equipment, fixtures, leasehold improvements located at tempSERV's office in Bakersfield, California; (ii) certain intellectual property of tempSERV; (iii) the goodwill of tempSERV; (iv) certain contracts related to the assets acquired by the Company.

The consideration for the assets acquired by the Company was an aggregate of \$1,162,500, consisting of \$600,000 in cash, and a promissory note in the principal amount of \$562,500 paid by Park Staffing Services, LLC ( the Note ) and a warrant to purchase 5,000,000 shares of the Company's common stock at a price of \$0.05 per share (the Warrant ). The Note shall be paid out of the cash flow of Park Staffing Services in 36 equal monthly installments, in the amount of \$17,292.41 each, commencing on January 1, 2008, and continuing through December 1, 2010. The Warrant is exercisable for all or a portion of the shares at the option of the holder and transferable at any time or from time to time on or after the date on which the warrant is issued, provided that annual revenue generated from Park Staffing Services, LLC exceeds \$7million, and that each transfer of shares does not result in the annual sale of more than 25% of the aggregate number of the shares issuable upon exercise of the warrants.

On October 17, 2007, Board of Directors appointed Stan Harper to the Board of Directors of the Company. Mr. Harper presently does not serve on any committee of our Board of Directors. Mr. Harper may be appointed to serve as a member of a committee although there are no current plans to appoint him to a committee as of the date hereof.

Stan Harper has been the owner/operator of tempSERV (now Park Staffing Services LLC) since its inception in 1983. In addition, since 1982 Mr. Harper was the President of Computer Contact Service, a marketing, advertising and public relations firm. Furthermore, Mr. Harper currently provides consulting, copy writing, graphics, layout, printing and advertising services through his company, Stan Harper and Associates.



On October 17, 2007, the Board of Directors appointed Dale Van Voorhis as the President and Chief Operating Officer of the Company. Mr. Van Voorhis previously served as a Director of the Company from December 2003 through December 2006. During his previous tenure at Great American Family Parks, Mr. Van Voorhis served on the Company's Audit Committee as Chairman and Financial Expert.

Dale Van Voorhis previously served as Chief Financial Officer, President and Director of GFAM Management Corporation from December 2003 through December 2006. In addition, Mr. Van Voorhis has been the President of Amusement Business Consultants, Inc., an amusement industry consulting company, since its inception in 1994.

There are no understandings or arrangements between Mr. Harper, Mr. Van Voorhis and any other person pursuant to which Mr. Harper and Mr. Van Voorhis, were selected as Director and President and Chief Operating Officer of the Company, respectively. Neither Mr. Harper nor Mr. Van Voorhis has any family relationship with any director, executive officer or person nominated or chosen by us to become a director or an executive officer. Furthermore, neither Mr. Harper nor Mr. Van Voorhis has entered into any material plan, contract or arrangement in connection with his appointment as an executive officer.

## Item 6.

### Exhibits.

#### Exhibit

| Number | Description  |
|--------|--|
| 4.7    | Common Stock Purchase Warrant, 2007 asset purchase   |
| 10.22  | Asset Purchase Agreement by and between Computer Contact Service, Inc. and EDLA Staffing Services, LLC   |
| 10.23  | Amendment No. 1 to Asset Purchase Agreement by and between Computer Contact Service, Inc., Stanley Harper and Troy Davis, Great American Family Parks, Inc., and Park Staffing Services, LLC |
| 10.24  | Promissory Note by and between Great American Family Parks, Inc. and EDLA Staffing Services, LLC   |
| 10.25  | Promissory Note by and between Park Staffing Services and Computer Contact Services, Inc.  |
| 10.26  | Assignment Agreement by and between Computer Contact Service, Inc., EDLA Staffing Services, LLC, Great American Family Parks, Inc. and Park Staffing Services, LLC                           |
| 10.27  | Factoring Agreement by and between Park Staffing Services and Computer Contact Services, Inc.  |
| 10.28  |  |

Intangible Assignment Agreement by and between Park Staffing Services and Computer Contact Services, Inc.

- 31.1 Certification by Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 31.2 Certification by Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 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.
- 32.2 Certification by and 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.

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**GREAT AMERICAN FAMILY PARKS, INC.**

SIGNATURE

TITLE

DATE

By: /s/ Larry L. Eastland

Larry L. Eastland

President, Chief Executive Officer and  
Chairman of the Board of Directors

(Principal Executive Officer)

November 19,  
2007

By: /s/ Richard W. Jackson

Richard W. Jackson

Chief Financial Officer and Director

(Principal Financial and Accounting  
Officer)

November 19,  
2007