



GETZ & ASSOCIATES
INCORPORATED

ANNUAL FINANCIAL
STATEMENTS

2014

Getz & Associates, Incorporated, and Subsidiaries**Consolidated Statement of Income**

For the Year Ended December 10:

| | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--------------------------------------|----------------------------|--------------------|--------------------|
| OPERATING REVENUES: | | | |
| Investment Income: | | | |
| Dividend Income: | \$5,888.93 | \$7,131.62 | \$7,571.47 |
| Interest Income: | \$1,031.88 | \$1,053.37 | \$1,408.60 |
| Total Investment Income: | <u>\$6,920.81</u> | <u>\$8,184.99</u> | <u>\$8,980.07</u> |
| Advisory Revenues: | \$51,790.85 | \$58,771.20 | \$65,826.58 |
| Retail Revenues: | \$0.00 | \$0.00 | \$0.00 |
| Total Operating Revenues: | <u>\$58,711.66</u> | <u>\$66,956.19</u> | <u>\$74,806.65</u> |
| OPERATING EXPENSES: | | | |
| Wages and Compensation: | \$37,102.38 | \$42,147.40 | \$51,087.47 |
| Banking Fees: | \$1,315.26 | \$1,500.73 | \$2,246.98 |
| Cost of Products Sold: | \$0.00 | \$0.00 | \$0.00 |
| Corporate & Regulatory Fees: | \$270.00 | \$230.00 | \$280.88 |
| Insurance: | \$200.00 | \$200.00 | \$200.00 |
| Postage & Freight: | \$4.84 | \$2.64 | \$0.88 |
| General Expenses: | \$1,194.17 | \$899.07 | \$839.21 |
| Other Operating Expenses: | \$0.00 | \$0.00 | \$0.00 |
| Total Operating Expenses: | <u>\$40,086.65</u> | <u>\$44,979.84</u> | <u>\$54,655.42</u> |
| OTHER INCOME/(EXPENSE): | | | |
| Realized Gains/(Losses): | (\$8,566.99) | \$8,463.53 | (\$29.92) |
| Interest Income/(Expense): | \$97.91 | \$219.79 | \$223.64 |
| Other Income/(Expense): | \$0.00 | \$0.00 | \$0.00 |
| Total Other Income/(Expense): | <u>(\$8,469.08)</u> | <u>\$8,683.32</u> | <u>\$193.72</u> |
| Income Before Income Taxes: | \$10,155.93 | \$30,659.67 | \$20,344.95 |
| Provision for Income Taxes: | <u>\$1,131.19</u> | <u>\$5,310.98</u> | <u>\$2,903.14</u> |
| Net Income: | <u>\$9,024.74</u> | <u>\$25,348.69</u> | <u>\$17,441.81</u> |
| Earnings Per Share (Basic): | <u>\$1.57</u> | <u>\$4.40</u> | <u>\$3.03</u> |
| Earnings Per Share (Diluted): | <u>\$1.57</u> | <u>\$4.40</u> | <u>\$3.03</u> |
| Shares Outstanding (Basic): | <u>5,761.1402</u> | <u>5,761.1402</u> | <u>5,761.1402</u> |
| Shares Outstanding (Diluted): | <u>5,761.1402</u> | <u>5,761.1402</u> | <u>5,761.1402</u> |

Getz & Associates, Incorporated, and Subsidiaries**Consolidated Balance Sheet**

As of December 10:

| ASSETS: | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|----------------------------|----------------------------|----------------------------|
| Current Assets: | | | |
| Cash & Cash Equivalents: | \$55,614.07 | \$57,186.05 | \$55,177.43 |
| Accounts Receivable: | \$2,902.05 | \$17,149.35 | \$4,500.00 |
| Inventories: | \$0.00 | \$0.00 | \$0.00 |
| Prepaid Expenses: | \$240.55 | \$99.66 | \$299.66 |
| Other Current Assets: | \$13.50 | \$10.12 | \$9.99 |
| Total Current Assets: | <u>\$58,770.17</u> | <u>\$74,445.18</u> | <u>\$59,987.08</u> |
| Investments: | | | |
| Investments at Fair Value: | \$204,376.48 | \$277,660.93 | \$364,732.50 |
| Total Investments: | <u>\$204,376.48</u> | <u>\$277,660.93</u> | <u>\$364,732.50</u> |
| Other Assets: | | | |
| Intangible Assets: | \$0.00 | \$161.82 | \$215.76 |
| Other Assets: | \$179.16 | \$174.99 | \$257.70 |
| Total Other Assets: | <u>\$179.16</u> | <u>\$336.81</u> | <u>\$473.46</u> |
| Total Assets: | <u><u>\$263,325.81</u></u> | <u><u>\$352,442.92</u></u> | <u><u>\$425,193.04</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY: | | | |
| Current Liabilities: | | | |
| Accounts Payable: | \$4,599.40 | \$1,250.00 | \$4,794.06 |
| Accrued Liabilities: | \$118.09 | \$117.61 | \$118.41 |
| Unearned Revenues: | \$4,493.17 | \$5,258.11 | \$5,899.05 |
| Taxes Payable: | \$2,318.44 | \$10,177.55 | \$4,110.65 |
| Other Current Liabilities: | \$0.00 | \$0.00 | \$0.00 |
| Total Current Liabilities: | <u>\$11,529.10</u> | <u>\$16,803.27</u> | <u>\$14,922.17</u> |
| Long-Term Debt (Less Current Portion): | \$0.00 | \$0.00 | \$0.00 |
| Deferred Income Tax Liabilities: | \$6,496.02 | \$16,006.95 | \$24,585.36 |
| Other Long-Term Liabilities: | \$0.00 | \$0.00 | \$0.00 |
| Total Liabilities: | <u>\$18,025.12</u> | <u>\$32,810.22</u> | <u>\$39,507.53</u> |
| Shareholders' Equity: | | | |
| Common Stock - no par value; 30,000 shares authorized, shares issued and outstanding at end of period as indicated below | \$95,892.07 | \$95,892.07 | \$95,892.07 |
| Retained Earnings: | \$107,546.04 | \$132,894.73 | \$150,336.54 |
| Accumulated Other Comprehensive Income: | \$41,862.58 | \$90,845.90 | \$139,456.90 |
| Total Shareholders' Equity: | <u>\$245,300.69</u> | <u>\$319,632.70</u> | <u>\$385,685.51</u> |
| Total Liabilities and Equity: | <u><u>\$263,325.81</u></u> | <u><u>\$352,442.92</u></u> | <u><u>\$425,193.04</u></u> |
| Shareholder's Data: | | | |
| Number of Shares Issued and Outstanding: | 5761.1402 | 5761.1402 | 5761.1402 |
| Net Asset Value Per Share: | \$42.57 | \$55.48 | \$66.94 |
| Net Gain (Loss) Per Share: | \$5.12 | \$12.90 | \$11.47 |
| Percentage Net Change: | 13.7% | 30.3% | 20.7% |
| Number of Shareholders: | 26 | 26 | 25 |

Getz & Associates, Incorporated, and Subsidiaries
Consolidated Statement of Cash Flows

For the Year Ended December 10:

| | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|---------------------|---------------------|----------------------|
| <u>Cash Flows from Operating Activities:</u> | | | |
| Net Income: | \$9,024.74 | \$25,348.69 | \$17,441.81 |
| Plus: Depreciation and Amortization: | \$0.00 | \$0.00 | \$0.00 |
| Reconciliation to Net Cash Provided by Operating Activities: | | | |
| (Increase)/Decrease in Accounts Receivable: | (\$2,902.05) | (\$14,247.30) | \$12,649.35 |
| (Increase)/Decrease in Inventories: | \$0.00 | \$0.00 | \$0.00 |
| (Increase)/Decrease in Prepaid Expenses: | \$279.45 | \$140.89 | (\$200.00) |
| (Increase)/Decrease in Other Current Assets: | \$4.10 | \$3.38 | \$0.13 |
| Increase/(Decrease) in Accounts Payable: | \$280.52 | (\$3,349.40) | \$3,544.06 |
| Increase/(Decrease) in Accrued Liabilities: | \$3.60 | (\$0.48) | \$0.80 |
| Increase/(Decrease) in Unearned Revenues: | \$591.12 | \$764.94 | \$640.94 |
| Increase/(Decrease) in Taxes Payable: | (\$13.42) | \$7,859.11 | (\$6,066.90) |
| Increase/(Decrease) in Other Current Liabilities: | \$0.00 | \$0.00 | \$0.00 |
| Plus/(Less) Realized Loss/(Gain) on Investments: | \$8,566.99 | (\$8,463.53) | \$29.92 |
| Net Non-Cash (Income)/Expense: | \$0.00 | \$0.00 | \$0.00 |
| Net Cash Provided by/(Used in) Operating Activities: | <u>\$15,835.05</u> | <u>\$8,056.30</u> | <u>\$28,040.11</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Purchase of Investments: | (\$17,522.83) | (\$33,569.56) | (\$37,742.00) |
| Proceeds from Sale or Redemption of Investments: | \$8,784.20 | \$27,242.89 | \$7,829.92 |
| Purchase of Plant, Property, and Equipment, Net of Sales: | \$0.00 | \$0.00 | \$0.00 |
| Investment in Other and Intangible Assets: | \$0.00 | (\$157.65) | (\$136.65) |
| Net Cash Provided by/(Used in) Investing Activities: | <u>(\$8,738.63)</u> | <u>(\$6,484.32)</u> | <u>(\$30,048.73)</u> |
| <u>Cash Flows from Financing Activities:</u> | | | |
| Proceeds from/(Repayments of) Long-Term Debt (net): | \$0.00 | \$0.00 | \$0.00 |
| Proceeds from Issuance of Shares of Common Stock: | \$0.00 | \$0.00 | \$0.00 |
| Net Cash Provided by/(Used in) Financing Activities: | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> |
| Net Increase/(Decrease) in Cash: | <u>\$7,096.42</u> | <u>\$1,571.98</u> | <u>(\$2,008.62)</u> |
| Cash at Beginning of Year: | <u>\$48,517.65</u> | <u>\$55,614.07</u> | <u>\$57,186.05</u> |
| Cash at End of Year: | <u>\$55,614.07</u> | <u>\$57,186.05</u> | <u>\$55,177.43</u> |

Getz & Associates, Incorporated, and Subsidiaries

Portfolio Analysis

(Includes unrealized gains and losses; as of December 10, 2014.)

| <u>Shares</u> | <u>Company</u> | <u>Symbol</u> | <u>Cost</u> | <u>Current</u> | <u>Gain (Loss)</u> | <u>Cumulative Return</u> |
|----------------|-----------------------------------|---------------|---------------------|---------------------|---------------------|------------------------------|
| 200 | Abbott Laboratories | ABT | \$4,511.99 | \$8,874.00 | \$4,362.01 | 96.68% |
| 200 | Abbvie, Inc. | ABBV | \$4,891.98 | \$13,516.00 | \$8,624.02 | 176.29% |
| 450 | Bar Harbor Bankshares, Inc. | BHB | \$7,710.96 | \$14,431.50 | \$6,720.54 | 87.16% |
| 300 | Hewlett Packard Corporation | HPQ | \$13,050.68 | \$11,208.00 | (\$1,842.68) | -14.12% |
| 400 | JPMorgan Chase, Inc. | JPM | \$15,860.36 | \$24,272.00 | \$8,411.64 | 53.04% |
| 500 | Medtronic, Inc. | MDT | \$17,019.75 | \$36,615.00 | \$19,595.25 | 115.13% |
| 1,000 | Metlife Corp Preferred Series "B" | METprB | \$16,869.95 | \$25,370.00 | \$8,500.05 | 50.39% |
| 200 | Norfolk Southern Corporation | NSC | \$6,295.95 | \$20,256.00 | \$13,960.05 | 221.73% |
| 1,000 | SLM Corporation Senior Notes | JSM | \$17,084.57 | \$21,130.00 | \$4,045.43 | 23.68% |
| 1,500 | Staples, Inc. | SPLS | \$19,663.93 | \$22,222.50 | \$2,558.57 | 13.01% |
| 500 | Target Corporation | TGT | \$27,628.96 | \$36,455.00 | \$8,826.04 | 31.94% |
| 200 | United Technologies, Inc. | UTX | \$20,253.33 | \$22,700.00 | \$2,446.67 | 12.08% |
| 400 | Walgreens Alliance Boots, Inc. | WBA | \$15,869.42 | \$27,260.00 | \$11,390.58 | 71.78% |
| 750 | Western Digital Corporation | WDC | \$13,978.41 | \$80,422.50 | \$66,444.09 | 475.33% |
| Totals: | | | <u>\$200,690.24</u> | <u>\$364,732.50</u> | <u>\$164,042.26</u> | <u>81.74%</u> |