GETZ & ASSOCIATES
INCORPORATED

ANNUAL FINANCIAL STATEMENTS

2017

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Statement of Income

For the Year Ended:	Partial Period December 31 2015	December 31 2016	December 31 2017
OPERATING REVENUES:			
Investment Income:			
Dividend Income:	$441.00	$7,725.00	$6,728.49
Interest Income:	$375.55	$2,252.14	$2,271.70
Total Investment Income:	$816.55	$9,977.14	$9,000.19
Advisory Revenues:	$5,451.79	$68,405.19	$68,926.63
Retail Revenues:	$0.00	$0.00	$0.00
Total Operating Revenues:	$6,268.34	$78,382.33	$77,926.82
OPERATING EXPENSES:			
Wages and Compensation:	$6,977.39	$55,633.69	$54,786.53
Banking Fees:	$0.00	$1,904.78	$1,980.75
Cost of Products Sold:	$0.00	$0.00	$0.00
Corporate & Regulatory Fees:	$0.00	$409.50	$248.00
Insurance:	$0.00	$200.00	$200.00
Postage & Freight:	$0.49	$3.35	$15.60
General Expenses:	$53.28	$828.51	$658.72
Other Operating Expenses:	$0.00	$0.00	$0.00
Total Operating Expenses:	$7,031.16	$58,979.83	$57,889.60
OTHER INCOME/(EXPENSE):			
Realized Gains/(Losses):	$0.00	$17,192.61	$35,964.27
Interest Income/(Expense):	$58.01	$232.54	$192.43
Other Income/(Expense):	$16.90	$0.60	$117.27
Total Other Income/(Expense):	$74.91	$17,425.75	$36,273.97
Income Before Income Taxes:	($687.91)	$36,828.25	$56,311.19
Provision for Income Taxes:	($370.08)	$6,207.72	$8,748.66
Net Income:	($317.83)	$30,620.53	$47,562.53
Earnings Per Share (Basic):	($0.06)	$5.43	$8.44
Earnings Per Share (Diluted):	($0.06)	$5.43	$8.44
Shares Outstanding (Basic):	5,761.1402	5,636.1402	5,636.1402
Shares Outstanding (Diluted):	5,761.1402	5,636.1402	5,636.1402

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Balance Sheet

As of:	December 31 2015	December 31 2016	December 31 2017
ASSETS:			
Current Assets:			
Cash & Cash Equivalents:	$64,212.66	$100,144.05	$131,194.33
Accounts Receivable:	$6,000.00	$7,500.00	$7,659.89
Inventories:	$0.00	$0.00	$0.00
Prepaid Expenses:	$578.15	$359.72	$276.20
Other Current Assets:	$8.80	$8.80	$8.80
Total Current Assets:	$70,799.61	$108,012.57	$139,139.22
Investments:			
Investments at Fair Value:	$316,248.50	$385,015.50	$467,462.50
Total Investments:	$316,248.50	$385,015.50	$467,462.50
Other Assets:			
Intangible Assets:	$179.20	$152.23	$125.26
Other Assets:	$145.83	$145.83	$145.83
Total Other Assets:	$325.03	$298.06	$271.09
Total Assets:	$387,373.14	$493,326.13	$606,872.81
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current Liabilities:			
Accounts Payable:	$0.00	$0.00	$0.00
Accrued Liabilities:	$265.42	$12.72	$13.05
Unearned Revenues:	$0.00	$0.00	$0.00
Taxes Payable:	$3,029.70	$9,215.33	$9,856.47
Other Current Liabilities:	$0.00	$0.00	$0.13
Total Current Liabilities:	$3,295.12	$9,228.05	$9,869.65
Long-Term Debt (Less Current Portion):	$0.00	$0.00	$0.00
Deferred Income Tax Liabilities:	$13,652.17	$25,278.41	$35,084.22
Other Long-Term Liabilities:	$0.00	$0.00	$0.00
Total Liabilities:	$16,947.29	$34,506.46	$44,953.87
Shareholders' Equity:			
Common Stock - no par value; 30,000 shares authorized, shares issued and oustanding at end of period as indicated below	$95,892.07	$95,892.07	$95,892.07
Treasury Stock (at cost):	$0.00	($7,833.75)	($7,833.75)
Retained Earnings:	$196,776.63	$227,397.16	$274,959.69
Accumulated Other Comprehensive Income:	$77,757.15	$143,364.19	$198,900.93
Total Shareholders' Equity:	$370,425.85	$458,819.67	$561,918.94
Total Liabilities and Equity:	$387,373.14	$493,326.13	$606,872.81

Shareholder's Data:

Number of Shares Issued and Outstanding:	5761.1402	5636.1402	5636.1402
Net Asset Value Per Share:	$64.29	$81.40	$99.69
Net Gain (Loss) Per Share:	$0.07	$17.11	$18.29
Percentage Net Change:	0.1%	26.6%	22.5%
Treasury Shares:	-	125	125
Number of Shareholders:	25	25	25

Getz & Associates, Incorporated, and Subsidiaries

Consolidated Statement of Cash Flows

For the Year Ended:	Partial Period December 31 2015	December 31 2016	December 31 2017
Cash Flows from Operating Activities:			
Net Income:	($317.83)	$30,620.53	$47,562.53
Plus: Depreciation and Amortization:	$0.00	$0.00	$0.00
Reconciliation to Net Cash Provided by Operating Activities:			
(Increase)/Decrease in Accounts Receivable:	$0.00	($1,500.00)	($159.89)
(Increase)/Decrease in Inventories:	$0.00	$0.00	$0.00
(Increase)/Decrease in Prepaid Expenses:	($193.04)	$218.43	$83.52
(Increase)/Decrease in Other Current Assets:	$0.00	$0.00	$0.00
Increase/(Decrease) in Accounts Payable:	($6,733.18)	$0.00	$0.00
Increase/(Decrease) in Accrued Liabilities:	($216.00)	($252.70)	$0.33
Increase/(Decrease) in Unearned Revenues:	($5,451.79)	$0.00	$0.00
Increase/(Decrease) in Taxes Payable:	($6,723.64)	$6,185.63	$641.14
Increase/(Decrease) in Other Current Liabilities:	$0.00	$0.00	$0.13
Plus/(Less) Realized Loss/(Gain) on Investments:	$0.00	($17,192.61)	($35,964.27)
Net Non-Cash (Income)/Expense:	$0.00	$0.00	$0.00
Net Cash Provided by/(Used in) Operating Activities:	($19,635.48)	$18,079.28	$12,163.49
Cash Flows from Investing Activities:			
Purchase of Investments:	($34,899.73)	($27,350.47)	($49,389.40)
Proceeds from Sale or Redemption of Investments:	$0.00	$53,009.36	$68,249.22
Purchase of Plant, Property, and Equipment, Net of Sales:	$0.00	$0.00	$0.00
Investment in Other and Intangible Assets:	$180.63	$26.97	$26.97
Net Cash Provided by/(Used in) Investing Activities:	($34,719.10)	$25,685.86	$18,886.79
Cash Flows from Financing Activities:			
Proceeds from/(Repayments of) Long-Term Debt (net):	$0.00	$0.00	$0.00
Proceeds from Issuance of Shares of Common Stock:	$0.00	($7,833.75)	$0.00
Net Cash Provided by/(Used in) Financing Activities:	$0.00	($7,833.75)	$0.00
Net Increase/(Decrease) in Cash:	($54,354.58)	$35,931.39	$31,050.28
Cash at Beginning of Year:	$118,567.24	$64,212.66	$100,144.05
Cash at End of Year:	$64,212.66	$100,144.05	$131,194.33

Notes to the Consolidated Financial Statements

Note 1 – Description of Business

Getz & Associates, Incorporated, (hereinafter "the Corporation") is an investment company which, directly and indirectly, operates in the portfolio management and financial and investment advisory industries. The Corporation's portfolio management operations are limited to the management of the Corporation's internal investment portfolio. The Corporation's financial and investment advisory operations are conducted through Winter Harbor Advisors, L.L.C., a Utah limited liability company, which is a state registered investment advisor (RIA) and wholly-owned subsidiary of the Corporation. The Corporation was incorporated in the State of Missouri in 1995. Winter Harbor Advisors, L.L.C., was organized in Utah in 2006.

In addition, the Corporation previously conducted an online retail operation under the registered trade name "World Wide Stamp Company" primarily through an online web site. The retail operation specialized in the sale of collectible stock and bond certificates (scripophily), stamps (philately), and related supplies and materials. This retail operation has been largely dormant since 2005 although the Corporation continues to maintain a related sales tax license with the State of Missouri.

Note 2 – General Information and Summary of Significant Accounting Policies

The preparation of the Corporation's consolidated financial statements requires the Corporation to make certain estimates and assumptions that affect amounts reported in the consolidated financial statements. Significant estimates are made with respect to the accrual of federal and state income and employment taxes, amounts related to insurance expenses, amounts related to charitable contributions, and the deductibility of certain expenses for tax purposes. Actual results could differ from these estimates and, to the extent these differences are significant, could have a material effect on the Corporation's results of operations, financial condition, and the net asset value per share of the Corporation's common stock.

Accounting Principles – The Corporation uses the accrual method of accounting, which recognizes income and expenses on the date the income is received or the expense is incurred. In general, the Corporation's accounting methods closely follow the standards of U.S. GAAP (Generally Accepted Accounting Principles). However, in some respects, the Corporation's accounting methods may differ from the standards of U.S. GAAP where the Corporation believes such alternate presentation is preferable. Nonetheless, the Corporation believes that its method of accounting is satisfactory for the Corporation's purposes and fully and accurately reflects the accounts, activities, and financial results and position of the Corporation. Questions concerning the Corporation's accounting methods may be directed to the Corporation.

Basis of Consolidation – The consolidated financial statements include the accounts of the Corporation and all wholly-owned and majority-owned subsidiary companies. Majority-owned subsidiary companies are those companies in which the Corporation holds either an economic interest equal to 80% of the value of the outstanding securities of the entity or in which the Corporation has direct voting control over the entity. Any material inter-company balances and transactions have been eliminated in the consolidation.

Reclassifications – Although no material reclassifications were made in 2017, substantial reclassifications occurred in 2004 relative to prior financial statements as a result of the reorganization of the Corporation's financial statements to better reflect the presentation generally followed under U.S. GAAP.

Reporting Period Modifications – In 2015, the Corporation modified its financial reporting period so that the financial reporting period for each year would end at the end of the calendar year on December 31 instead of on December 10, which was the prior convention. The financial statements for 2015 therefore include a partial period reflecting results of operations between December 11, 2015, and December 31, 2015. The modification was made to simplify the financial reporting process and did not have any impact on the Corporation's financial statements or results of operations.

Advisory Revenues and Expenses – Advisory revenues are recognized when earned. Advisory revenues are considered earned at the end of each month during which services are provided to the advisory client (or at the end of such other period when an advisory client ends the advisory relationship prior to the end of the month, at which point earned revenues are pro-rated and recognized for the portion of the month over which services were provided). Advisory revenues collected but unearned are included as a component of unearned revenues. Advisory expenses are generally charged to income when incurred, except in the case of business and employee health insurance premiums, certain internet related expenses, and professional certifications, which are credited to prepaid expenses and charged to income on a straight line basis over the effective period of the respective item.

Retail Revenues and Expenses – Retail sales revenues are recognized when the products ordered by the customer are shipped to the customer. If a single order is divided between different shipments, the Corporation will recognize the portion of the order shipped as revenue and maintain an unearned revenue balance for the remaining order due to the customer. Retail revenues collected but unearned are included as a component of unearned revenues. Retail expenses are recognized as incurred.

Investment Interest Income and Interest Income/(Expense) – The Corporation includes interest income in the consolidated financial statements in either the investment interest income category or the interest income/(expense) category. The category in which interest income is included is based on the underlying asset on which the interest income is earned. For securities investments, interest income is included in investment interest income. For cash balances, the Corporation classifies cash accounts as either held for investment or held for operations. Cash held by the Corporation itself is classified as cash held for investment, and interest earned thereon is included in investment interest income. Cash held by Winter Harbor Advisors, L.L.C., is classified as cash held for operations, and interest earned thereon is included in interest income/(expense).

Cash & Cash Equivalents – The Corporation includes all cash and similar highly liquid instruments, such as checks and money orders, either held directly by the Corporation or held by financial institutions such as banks and/or brokerage firms on behalf of the Corporation, in cash and cash equivalents.

Accounts Receivable – Accounts Receivable consists of funds owed to the Corporation, primarily by advisory clients.

Inventories – Inventories consist of goods (primarily collectible stock and bond certificates) held by the Corporation for resale to retail customers. Inventories are accounted for at the lower of original cost or estimated fair market value.

Investments – Investments reflect the marketable securities held in the Corporation's investment portfolio and are recorded on the balance sheet at fair market value. The Corporation classifies all of the marketable securities in the investment portfolio as available-for-sale. Unrealized gains and losses within the investment portfolio are recorded, net of taxes, as a component of shareholders' equity under the heading "accumulated other comprehensive income." Recognized gains and losses are recognized upon the sale of a marketable security and are reflected in the income statement on a specific identification basis.

Generally accepted accounting principles include a provision providing for the immediate recognition in the income statement of unrealized losses on investments which, under certain circumstances, are considered other-than-temporary impairments. An investment is considered impaired when its fair market value is less than the original cost basis of the respective investment (that is, when an unrealized loss is attributable to the respective investment). Generally, the Corporation does not test for possible other-than-temporary impairments within its investment portfolio due to the extended holding period over which the Corporation intends to hold investments purchased for the investment portfolio. Among other considerations, the determination of other-than-temporary impairments generally requires substantial judgment on the part of management. Regardless of the recognition of unrealized losses in the income statement, unrealized losses are reflected in the net asset value per share of the common stock due to the recording of unrealized losses (and gains) in the accumulated other comprehensive income account as a component of shareholders' equity.

Long Term Debt – Long-term debt is any liability with a term of repayment exceeding one year.

Deferred Income Taxes – Deferred income taxes reflect an estimate of the federal income taxes the Corporation expects to pay on net unrealized gains and losses in the Corporation's investment portfolio (upon realization of these unrealized gains and losses) and temporary differences which have arisen due to differences between the Corporation's financial reporting and tax reporting. The Corporation does not presently have any temporary differences which have arisen due to differences between its financial reporting and tax reporting.

Shares Outstanding – Shares outstanding reflects the total number of shares of the common stock outstanding as of the date or the end of the period presented (calculated as the number of shares issued less the number of shares, if any, held in treasury). For purposes of calculating earnings per share on a basic and diluted basis, the Corporation does not adjust the number of shares outstanding to present a weighted average of shares outstanding over the period as required by GAAP. This deviation from GAAP does not generally result in a material difference in basic or diluted earnings per share.

Treasury Stock – Treasury stock (at cost) reflects the cumulative price paid by the Corporation for all shares of the common stock repurchased by the Corporation, if any, which are held in treasury rather than cancelled to reduce the number of issued shares.

Note 3 – Other Income

Other income consists of various items such as refund refusals by retail customers, service credits, bad debt expense, and reimbursements/recoveries for costs associated with returned inventory. Questions as to the specific composition of this category for any year may be directed to the Corporation.

Note 4 – Income Taxes

The Corporation pays federal and state income taxes at statutory rates offset by certain deductions and exemptions which the Corporation receives under the federal and respective state tax codes. The Corporation makes estimated federal and, when required, state income tax payments periodically throughout the year based on the Corporation's estimate of the ultimate federal and state income tax liability for the year with any difference between total estimated tax payments and actual federal and state tax liability reconciled with the filing of the Corporation's federal and state income tax returns.

Note 5 – Prepaid Expenses

Prepaid expenses represent the value of goods and services for which the Corporation has paid prior to receipt or performance of the goods or services. The Corporation's prepaid expenses reflect prepaid amounts for web site hosting services, premiums for statutorily required surety bonds for the advisory subsidiary, and certain membership fees for professional organizations. The Corporation generally pays for web site hosting services on a multiple year basis and charges web site hosting expenses to income on a monthly basis. The Corporation generally pays statutory surety bond premiums annually and charges surety bond expenses to income on a monthly basis. Fees for professional organizations which benefit the Corporation are generally paid annually and charged to expense on a monthly basis.

Note 6 – Accounts Receivable

The majority of the balance of accounts receivable, as of December 31, 2017, was receivable from a single advisory client. The Corporation continuously monitors accounts receivable and periodically assesses the collectability of outstanding accounts receivable for potential impairment. In the event the Corporation determines that it is more likely than not that an accounts receivable balance will ultimately not be collectible, the Corporation charges the estimated uncollectible portion to expenses in the period such determination is made, reducing the reported net balance of accounts receivable.

Note 7 – Other Current Assets

Other current assets consist of assets which can be easily and quickly converted into cash or cash equivalents. Examples of other current assets held by the Corporation are postage stamps or positive balances on the Corporation's line of credit.

Note 8 – Intangible Assets
Intangible assets represent the notional value of assets held by the Corporation which are not physical assets and likely could not be easily sold for value. The Corporation's intangible assets consist primarily of domain name registration fees. The Corporation maintains a number of web site domain registrations which and prepaid associated registration fees for multiple year registrations. In 1999, the Corporation registered its domain name, www.getzassoc.com, which is currently registered through 2022. In 2005, the Corporation registered its subsidiary's domain name, www.winterharboradvisors.com, which is also currently registered through 2022. In 2013, the Corporation registered an alternate domain name, www.getz-associates.com, which is registered through 2023. The Corporation charges prepaid domain name registration expenses to income on an annual basis.

Note 9 – Other Assets
Other assets consist of assets held by the Corporation which are relatively illiquid. Examples of other assets are envelopes, folders, binders, corporate stock certificates, certain guarantee deposits, and other materials that would be difficult to convert into cash. Due to the nature of these assets, the Corporation has elected to assign no carrying value to these assets except where the Corporation would receive a fixed and specific cash payment upon termination of the respective guarantee.

Note 10 – Shareholders' Equity
The Corporation has 30,000 shares of common stock authorized for issuance without par value. The Corporation may, from time to time and subject to its discretion, sell additional shares of its common stock (subject to applicable federal and state securities registration exemptions) to fund future growth and/or for other general corporate purposes.

Note 11 – Treasury Stock
The Corporation did not repurchase any shares of the common stock during 2017. The Corporation repurchased 125 shares of the common stock during 2016 from an existing shareholder through a share redemption. The shares were classified as treasury stock and may be reissued by the Corporation at a future date.

Note 12 – Accumulated Other Comprehensive Income
The change in accumulated other comprehensive income is related to the unrealized gains and losses on investments within the Corporation's investment portfolio. Unrealized gains and losses are reported in accumulated other comprehensive income net of the estimated federal income taxes payable upon realization of unrealized gains and losses within the investment portfolio (taking into account estimated transaction costs associated with such realizations).

Note 13 – Accounts Payable
Accounts payable reflects amounts owed by the Corporation to suppliers for products purchased and received but not yet paid for and to employees for compensation accrued but not yet paid. The vast majority of the Corporation's retail products are purchased on a basis requiring immediate payment to the supplier. As a result, the Corporation generally does not carry account balances with product suppliers.

Note 14 – Accrued Liabilities
Accrued liabilities are short-term liabilities which carry terms of payment of less than one year. Accrued liabilities may include payments owed for services or products received (other than products for resale) but not yet paid for, short-term loans taken by the Corporation to fund immediate cash or credit needs, or temporary liabilities which may be paid at any time. Generally, accrued liabilities represent balances carried by the Corporation on one of more of the Corporation's established lines of credit.

Note 15 – Other Current Liabilities
Other current liabilities include current liabilities which are not included under any other current liability category. Current liabilities can include, but are not limited to, sales taxes collected from customers but not yet remitted to the State of Missouri.

Note 16 – Deferred Tax Liabilities
Deferred tax liabilities consist of projected federal income taxes on capital gains for which the Corporation would be liable upon the sale of its investment portfolio and, when applicable, state sales taxes collected from customers and not yet remitted to the State of Missouri.

In 2017, the United States enacted the Tax Cuts and Jobs Act of 2017 which, among other changes, modified the corporate tax structure to eliminate the prior tiered rate structure in favor of a flat corporate tax rate. The new corporate tax structure effectively increases the tax rate utilized by the Corporation to calculate the deferred tax liability for net unrealized capital gains within its investment portfolio. The Corporation is required to record an adjustment to the deferred tax liability as of the effective date of the law to reflect the change in applicable tax rate. The law became effective on January 1, 2018, and the Corporation recorded a charge to income taxes to adjust for the new tax rate; refer to Note 22 "Subsequent Events" for additional information.

Note 17 – Lines of Credit
The Corporation maintains revolving lines of credit with American Express. The Corporation's revolving line of credit with American Express was established in 2003 and currently permits the Corporation to borrow up to two thousand five hundred dollars ($2,500.00). Winter Harbor Advisors, L.L.C., the Corporation's advisory subsidiary, maintains a separate revolving line of credit with American Express which was established in 2006 and which currently permits the advisory subsidiary to borrow up to sixteen thousand dollars ($16,000.00). The interest rate applicable to balances carried by the Corporation and/or the advisory subsidiary on any of these revolving lines of credit is based on a premium over the prime interest rate and varies by line of credit. Generally, the Corporation and its advisory subsidiary manage their revolving debt in order to minimize any interest payments. Repayment of borrowings under the Corporation's and/or the advisory subsidiary's revolving lines of credit, in the event that the Corporation and/or the advisory subsidiary default on any such payment, is guaranteed by persons related to the Corporation. As of December 31, 2016, the outstanding balance under the Corporation's revolving lines of credit (including the Corporation's subsidiary's line of credit) was $13.05.

Note 18 – Incentive Stock Option Plan
In 1999, the Corporation's shareholders approved an incentive stock option plan (hereinafter the "Plan") which provided for the granting of incentive stock options, at the discretion of the Corporation's board of directors, to certain employees of the Corporation. Incentive stock options issued under the Plan were classified as qualified incentive stock options and were granted with an exercise price not less than the net asset value per share of the common stock (considered the fair market value per share of the common stock for the purposes of the Plan) on the date of grant of the respective incentive stock options. Incentive stock options granted under the Plan were exercisable by the recipient immediately upon grant. The Plan was not renewed and automatically expired in July of 2009.

In computing the number of shares outstanding on a diluted basis (reflecting the issuance of shares upon exercise of stock options), the Corporation uses the treasury stock method. Under this method, the Corporation assumes that all outstanding stock options with an exercise price less than or equal to the net asset value per share of the common stock at the time of the calculation are exercised (resulting in the issuance of shares of the common stock) and a number of shares of the common stock with a total net asset value equal to the proceeds from the exercise of such stock options are repurchased.

Note 19 – Related Party Transactions
The Corporation has in the past engaged in transactions and contractual relationships with related parties. Generally, these transactions and contractual relationships allowed the Corporation to borrow funds from a related party and were integral to the initial development and financing of the Corporation upon its organization in 1995. The last of these contractual relationships was terminated by the Corporation in 2001. Since that time, the Corporation has not engaged in any material transactions or contractual relationships with a related party other than as noted elsewhere herein.

In January of 2006, simultaneous with the organization of Winter Harbor Advisors, L.L.C., the Corporation entered into an agreement with Carlton A. Getz, a director and executive officer of the Corporation in addition to the Corporation's largest shareholder, to sell the rights to the name "G&A Financial, L.L.C." for cash equal to the Corporation's recorded intangible asset value of ninety dollars ($90.00). As part of this agreement, Mr. Getz has agreed not to use the name for any business within the next ten (10) years other than for a business in which the Corporation owns the entire financial interest in such business. The transaction was completed during 2006.

The Corporation has been informed that certain executive officers of the Corporation hold personal interests (in the form of securities purchased on the open market) in one or more of the companies in which the Corporation holds investments. The Corporation does not believe that these cross-holdings of securities are on a scale sufficient to be material to the Corporation or to materially affect the market value of the respective securities.

Note 20 – Industry Segments
The Corporation operates in three different and distinct business segments and reviews the operations and financial results of each business segment individually. These business segments are portfolio management (in which the Corporation manages its investment portfolio on behalf of the shareholders), financial and investment advisory services (which are offered through the Corporation's wholly owned subsidiary, Winter Harbor Advisors, L.L.C., a Utah limited liability company), and online retailing (in which the Corporation sells collectible stock and bond certificates (scripophily), stamps (philately), and related supplies online under the name "World Wide Stamp Company"). The Corporation considers portfolio management its core business operation.

Note 21 – Subsidiaries
The Corporation is the sole member of Winter Harbor Advisors, L.L.C., (hereinafter, the "Advisory Subsidiary"). The Advisory Subsidiary is a separate legal entity organized as a Utah limited liability company and is wholly owned by the Corporation. The Advisory Subsidiary is registered with the Utah Division of Securities as a registered investment advisor (RIA) and conducts its operations in accordance with the regulations applicable to investment advisors promulgated by the United States Securities and Exchange Commission and the Utah Division of Securities. For federal income tax purposes, the Advisory Subsidiary is classified as a disregarded entity, which generally means that the operations of the Advisory Subsidiary are not considered separate from those of the Corporation for federal and state income tax purposes and are included on a consolidated basis with the operations of the Corporation on the Corporation's federal and state corporate income tax returns. In March of 2006, in conjunction with the organization of the Advisory Subsidiary, the Corporation made a capital contribution of twelve thousand dollars ($12,000) to the Advisory Subsidiary in exchange for a 100% interest in the equity of the Advisory Subsidiary.

As of December 31, 2017, the Corporation recorded a net investment of $22,012.04 in Winter Harbor Advisors. A reconciliation of the Corporation's net investment is provided below:

As of December 31:	**2017**	2016	2015
Cash and Equivalents:	**$16,751.64**	$16,902.15	$18,431.54
Other Assets:	**$8,115.74**	$8,015.59	$6,685.33
Total Assets:	**$24,867.38**	$24,917.74	$25,116.87
Liabilities:	**$13.18**	$12.72	$269.52
Taxes Payable:	**$2,842.16**	$2,905.02	$2,847.32
Total Liabilities:	**$2,855.34**	$2,917.74	$3,116.84
Net Investment:	**$22,012.04**	$22,000.00	$22,000.03

The Corporation receives cash distributions from the Advisory Subsidiary at least annually related to income tax liabilities and dividend distributions of excess capital. The Corporation received $8,422.24 in dividend distributions and $2,857.69 in income tax liability adjustment payments during 2017.

Note 22 – Subsequent Events

In 2017, the United States enacted the Tax Cuts and Jobs Act of 2017 which, among other things, modified corporate tax rates. The modification to corporate tax rates effectively increased the tax rate utilized in the calculation of the Corporation's deferred tax liability related to unrealized net capital gains associated with the investment portfolio. The Corporation is required to adjust the deferred tax liability to reflect adjustments to the applicable tax rate upon such rates becoming effective. The Tax Cuts and Jobs Act of 2017 became effective on January 1, 2018, at which time the Corporation recorded an increase in deferred tax liabilities, charged to income tax expense, of $14,033.69, or $2.49 per share.