



GETZ & ASSOCIATES
I N C O R P O R A T E D

ANNUAL REPORT
AND PROXY STATEMENT

2021



Carlton A. Getz, President & Secretary
Martin E. Kofsky, Vice President

January 5, 2022

Fellow Shareholders,

The ongoing impacts of the pandemic continue to affect the economy but markets remained strong in the face of ongoing challenges as positive signs emerged. Our performance brought us to the threshold, though just short of, a significant milestone – \$1,000,000 in shareholders' equity – which was briefly exceeded in the fall. Moreover, although annual performance measures are not especially meaningful, we once again outperformed the broad stark market index despite significant allocations to cash and fixed income securities as well as what would be, by most market measures, an otherwise uniquely dull investment portfolio. The cumulative long term performance, which we consider by far a more meaningful figure, since inception ended the year at 3,196% - *including charitable contributions, operating expenses, and taxes* – versus 1,126% for the broad market S&P 500 index over the same period despite the index not being subject to those items.

The market's performance during the year continued to emphasize a bifurcation between growth and value, as traditionally defined, although broad strength in certain sectors belied the idea excessive risk is necessary to achieve strong performance. The investment portfolio continues to be focused on companies with strong financial positions and future prospects yet with modest market valuations despite the performance over the course of the year. We've remained and will continue to remain true to our long-term value-oriented investment philosophy which has yielded these strong results over more than a quarter century.

Arguably, doing so is perhaps the most difficult aspect of investment management especially in the face of real or perceived adversity. Steven Pinker, a cognitive psychologist, wrote a missive in 2018 that appeared in the *Guardian*, a British newspaper, discussing our natural bias towards the negative at the expense of the positive and posited the question of what the headline would be in a newspaper published only once every fifty years. The enormous progress that has been made – economically, environmentally, medically, technologically – in the last several decades virtually unimaginable to those reading the prior edition. In an investing context it's very much an affliction that articulates the difference between investment and speculation just as much as it is a perspective on our broader world. The perspective offered last year on finding stability in troubling times remains just as relevant lest we become focused on the immediate at the cost of the gradual – an error that impacts investors just as much as the public. In a year beset by its own though often lesser challenges opportunities remained for the diligent. I doubt any of us would be worse for wear tuning out the news and taking a walk to meditate on a broader view.

Finally, we continue to watch developments related to corporate income taxes. In last year's letter it was noted that the Tax Cuts and Jobs Act (TCJA), which instituted a flat corporate tax rate of 21%, actually *increased* corporate income taxes for small business and proposals to increase the rate to as much as 28% would have resulted in an overall increase in rates for small businesses exceeding 80% despite the typical paeans to the importance of small businesses. The most recent proposals centered around an increase to 25% coupled with an advantageous 18% rate for small business, a proposal which would have returned rates closer to those before the TCJA. However, changes in the corporate tax rate (at least insofar as would impact us) appear increasingly unlikely at this point leaving a measure of uncertainty for the coming year. In any event, it's important to note that while tax considerations factor into investment decisions this occurs only at the margin insofar as our own tax position and does not drive portfolio decisions beyond the impact tax proposals may have on the underlying businesses of portfolio companies.

The year did not turn out as many had hoped although progress is being made however had it sometimes may be to recognize. I wish you a very good – and healthy – new year.

Sincerely,

A handwritten signature in black ink, appearing to read "Carlton A. Getz", written over a white background.

Carlton A. Getz, CFA
President, Getz & Associates, Incorporated

Notice to the Shareholders of
Getz & Associates, Incorporated
of the
Twenty Sixth Annual Meeting of Shareholders
to be held at 9:00 o'clock AM on Wednesday, March 23, 2022,
at
207 Fourth Avenue
Salt Lake City, Utah 84103

Dear Shareholder,

You are hereby cordially invited to attend the Annual Meeting of Shareholders of Getz & Associates, Incorporated, to be held at 207 Fourth Avenue, Salt Lake City, Utah, 84103, and to begin promptly at 9:00 o'clock AM on Wednesday, March 23, 2022. The purpose of the meeting is to review the Corporation's performance over the past year, elect a Director to the Board of Directors of the Corporation, and to address any other business that may be properly brought before the meeting. The Corporation encourages your attendance at and participation in the meeting which may also be attended remotely via Zoom by typing the following link into your browser and using the indicated passcode:

<https://zoom.us/j/94089521519?pwd=T3VMc3NaVnF4VkpnUEZEUjlQL2ZCdz09>

Meeting ID: 940 8952 1519

Passcode: 9g9pY3

All Shareholders of record as of December 10, 2021, are eligible to cast a vote at the Annual Meeting of Shareholders. Please find enclosed a proxy card representing your power to vote in absence on the issue before the meeting, the election of a Director to the Board of Directors of the Corporation. Even if you plan to attend the meeting, please either vote, sign, date, and return your proxy card to an officer of the Corporation by hand or by mail or vote your proxy electronically via the "Annual Meeting Proxy" tab at www.getz-associates.com as soon as possible. If you plan to attend the meeting in person, remember that you have the right to change your vote at any time prior to the announcement of the voting results. A specific request will be made at the meeting before results are announced to account for any such changes.

In addition, please note that space has been provided at the bottom of your proxy card (as well as in the electronic proxy form) for you to indicate your preferred method of receiving future shareholder communications, including periodic financial reports, either electronically via the Corporation's web site, www.getz-associates.com, or in hardcopy via standard postal mail. The delivery method selected may be modified at any time in the future via written request to the Corporation.

We look forward to seeing you at the Annual Meeting of Shareholders and discussing with you the activities of the Corporation over the past year. Again, please remember to submit your proxy vote.

Most Sincerely,



Carlton A. Getz, CFA

Secretary, Getz & Associates, Incorporated

TWENTY SIXTH ANNUAL MEETING OF SHAREHOLDERS PROXY STATEMENT

There is only one issue before the Shareholders of the Corporation to be voted upon at the Annual Meeting of Shareholders. The Corporation has not been notified or otherwise informed of the intention of any Shareholder to bring before the meeting an alternate proposal or any other proposal for a vote of the Shareholders, although Shareholders may do so at their discretion in the proper manner. Please remember to either vote, sign, date, and return your proxy card or submit your proxy electronically via the “Annual Meeting Proxy” tab at www.getz-associates.com.

Item 1) The Bylaws of the Corporation provide for the election of a Director at every Annual Meeting of Shareholders, to serve a term on the Board of Directors to last from the Annual Meeting at which such Director shall be elected until the election of a new Director at the Annual Meeting immediately following. The Board of Directors of the Corporation is responsible for overseeing the general operations of the Corporation, establishing corporate policy, considering resolutions for carrying out corporate business, selecting the executive staff, and performing other duties beyond the daily management of the Corporation’s affairs.

Only one individual has been nominated for the position of Director of the Corporation. Mr. Carlton A. Getz, CFA, currently serves as the President, Secretary, and Director of the Corporation, and has done so since the Corporation was founded in 1995. Mr. Getz is not compensated for any of his duties in accordance with the Bylaws of the Corporation. Additionally, Mr. Getz is a Shareholder of the Corporation and, as of December 31, 2021, held 3,500 shares of the Corporation’s issued and outstanding common stock. Mr. Getz has notified the Corporation that certain investments held by the Corporation are in public companies in which Mr. Getz also holds shares on a personal basis. Questions regarding these activities or other information may be asked at the Annual Meeting of Shareholders or directed to the Corporation.

The Board of Directors of the Corporation recommends a vote FOR item one.

**The Board of Directors
Getz & Associates, Incorporated**

PROXY STATEMENT DISCLOSURES

SHARE OWNERSHIP OF CORPORATE OFFICERS

The Corporation had two corporate officers as of December 31, 2021. The following table presents, as of that date, the number of shares of the Common Stock beneficially owned by each of the corporate officers.

<u>Name and Position</u>	<u>Shares of the Common Stock Held</u>	<u>Percent of Outstanding Shares</u>
Carlton A. Getz President, Secretary, & Director (G&A) Managing Director (Winter Harbor Advisors)	3,500	62.10%
Martin E. Kofsky Vice President	19,4896	0.35%
Total All Officers and Directors:	3,519,4896	62.45%

COMPENSATION OF CORPORATE OFFICERS

The corporate officers of the Corporation are not eligible to receive any base compensation. However, the executive officer of the Corporation's advisory unit, Winter Harbor Advisors, L.L.C., is eligible to receive compensation from the advisory unit for services rendered in that capacity.

The following table presents, for the calendar years indicated, the base compensation, bonus, other, and total compensation of the executive officer of the advisory unit:

<u>Name and Position</u>	<u>Year</u>	<u>Base Compensation</u> ¹	<u>Bonus</u> ²	<u>Other</u> ³	<u>Total</u>
Carlton A. Getz	2021	\$42,720	\$4,000	\$11,680	\$58,400
Managing Director	2020	\$49,920	\$0	\$12,480	\$62,400
(Winter Harbor Advisors)	2019	\$47,520	\$1,500	\$12,255	\$61,275

¹ The Managing Director's base compensation is calculated at the beginning of the respective year based on a formula which, generally, sets base compensation at 95% of the maximum possible compensation, considering estimated investment advisory revenues and expenses, including income and other taxes, which will result in an after tax return on equity of 25% for the advisory unit.

² In the event that, at the end of a given calendar year, the advisory unit's after tax return on equity exceeds 25%, the Managing Director is eligible to receive a performance bonus equal to 50% of the net income of the advisory unit over the net income required to achieve a return on beginning equity of 25%.

³ Other compensation consists of contributions by the advisory unit to a SEP IRA retirement plan established on behalf of the indicated employee.

The advisory unit incurs certain other expenses on behalf of its employees, including professional organization dues, which are directly related to the performance of its business. These expenses are included in operating expenses and are not considered compensation. No other officer or employee received any direct or indirect compensation from the Corporation or any of its subsidiaries for any of the years presented.

**Annual Report to the Shareholders of
Getz & Associates, Incorporated
2021
207 Fourth Avenue
Salt Lake City, Utah 84103**

INTRODUCTION

The annual report summarizes the operating results and financial position of the Corporation. The report is organized into two sections in an effort to present the financial statements and results of operation in a clear and concise manner. The first section provides an overview of the Corporation's activities and operating results for the past year. The second section presents the Corporation's financial statements and associated notes to the financial statements.

The annual report may include certain forward-looking statements which represent management's estimates and/or expectations about future events and the impact such future events may have on the Corporation. However, the future is inherently uncertain and all forward-looking statements contained in the annual report are therefore conditioned on the understanding that factors beyond the Corporation's control, whether foreseeable or unforeseeable, may result in outcomes which differ from management's estimates and/or expectations and such differences may favorably or unfavorably impact the Corporation's future financial position and actual operating results. The forward-looking statements made herein should therefore not be construed as guarantees of future results or outcomes but instead as statements providing management's perspective on how such future events may impact the Corporation's activities, financial position, and operating results.

Getz & Associates, Incorporated, always appreciates feedback; should you have any comments or questions regarding information in this annual report or on any other matter related to the Corporation, please direct those comments and questions to the Corporation. Additionally, if you would like to see additional information of a specific nature in future annual reports, these comments will allow the Corporation to do everything possible to fully inform the shareholders of our business and objectives.

OVERVIEW OF 2021

Fellow Shareholders,

Getz & Associates, Incorporated, finished an exceptional year with broad gains across the investment portfolio complemented by increased profitability within the investment advisory unit. Our investment performance exceeded that of the broader market largely due to outperformance in selected retail holdings as well as broad strength across our holdings of smaller community banks.

Winter Harbor Advisors, our investment advisory subsidiary, experienced a decline in profitability for the year relative to prior years as advisory revenues fell in tandem with securities markets due to the direct link with assets under management. The comparatively quick rebound in market valuations (and thus in assets under management) allowed the advisory unit to remain profitable for the year despite two quarters of operating losses. Still, annual operating margins declined by approximately 1,000 basis points. The impact on assets under management and thus advisory revenues will likely linger into the coming year.

The ongoing strength in the investment portfolio coupled with a strong rebound in advisory revenues on growing assets under management resulted in shareholders' equity ending the year at just over \$990,000, propelling the year end net asset value per share to \$175.80, a gain of 32.7% from \$132.51 at the end of the prior year. The total return to shareholders from the Corporation's inception closed the year at 3,196%.

Getz & Associates made modest adjustments to the investment portfolio over the course of the year given rising valuations to reduce holdings with higher perceived risk in terms of valuation in favor of

opportunities with more reasonable valuations. In addition, we elected to hedge certain positions based on discrete corporate events as well as valuations.

In this vein, the significant increase in retail shares presented an opportunity to hedge a portion of our position in Signet Jewelers by selling short call options covering a third of the portfolio position. The call options give the purchaser the right to acquire shares of the company at a fixed price, or strike price, on or before a specified date, otherwise known as the expiration date.

In May, we sold our entire position in Bar Harbor Bankshares after adding to our position the previous year in the depths of the pandemic panic.

In addition, Knoll was acquired by Herman Miller in July in a cash and stock transaction after which the combined company was renamed MillerKnoll. In addition, we have previously initiated a short call option position when the acquisition was announced in April covering our position in Knoll which expired in September after the closing of the acquisition resulting in a small capital gain. We added to our position in MillerKnoll shortly after the acquisition.

In October, we sold our entire position in Atlas Corporation preferred securities as the securities were trading at a material premium to their redemption value, reducing both the current yield as well as the long-term yield to maturity below the level the Corporation felt consummate with the associated investment risk. Atlas Corporation is primarily an owner and operator of container ships leased to shipping lines.

Finally, we continued to add to certain portfolio positions which we consider undervalued including positions in floating rate exchange traded senior notes issued by Nustar Logistics (a pipeline company) and common shares of Sally Beauty Holdings (a specialty retailer), Unum Group (an employer benefits insurance company), and Walgreens Boots Alliance (a pharmacy operator).

The strong performance of markets over the last year extends what has in the meantime, the effective bifurcation of the market between a selection of highly valued growth companies and nearly everything else presents its own risks and opportunities. The ongoing pandemic, and the uncertain economic and social outcomes, will be key factors in how securities markets perform going forward. The high overall valuation – by historical measures – should nonetheless give pause to rational investors. The Corporation remains as focused as ever on consistently implementing our investment philosophy with a strong focus on value in the context of growth potential while incorporating a margin of safety that allows our assessments to be inaccurate without catastrophic results. The years ahead may be challenging but this has never dissuaded us from facing them with confidence.

Sincerely,



Carlton A. Getz, CFA
President, Getz & Associates, Incorporated

ANNUAL RESULTS AND DISCUSSION

The Corporation recorded net income (including net realized capital gains) of \$69,012.51, or \$12.24 per common share, for the year ended December 31, 2021, on operating revenues of \$99,792.39 and operating expenses of \$63,413.86. The majority of net income for the year was derived from net realized capital gains on investments, before income taxes, of \$49,812.17, a decline from the prior year which was partially offset by higher dividend and interest income as well as higher net income derived from the advisory unit.

Operating revenues during the year were primarily derived from advisory revenues (79.8%) and dividends (18.6%). Advisory revenues rose on growth in assets under management propelled by strong market conditions throughout the year. Dividend and interest income rose significantly due to changes within the investment portfolio as well as higher quarterly dividend rates declared by companies within the investment portfolio. Interest income/(expense) not associated with investment operations rose slightly compared to the prior year due to slightly higher balances in the advisory unit's reserve account.

Operating expenses consisted almost entirely of compensation expense (97.9%), with general expenses, insurance, corporate and regulatory fees, banking fees, and postage comprising the balance. Compensation expense declined modestly from the prior year due to lower projected annual advisory

revenues based on the level of assets under management at the beginning of the year. Compensation expense is closely linked in the compensation formula with projected annual advisory revenues and advisory unit profitability and is therefore expected to increase in the coming year. Corporate and regulatory fee expense increased from the prior year due to the timing of regulatory fee payments. General expenses and postage and freight rose from the prior year due to higher expenses associated with distribution of the annual report while most other operating expenses remained relatively consistent with the prior year.

Winter Harbor Advisors, the Corporation's advisory unit, reported operating income of \$16,841.58 on revenues of \$80,002.36 and operating expenses (exclusive of attributable corporate income taxes) of \$63,160.78 resulting in an operating margin of 21.1%. The advisory unit's revenues primarily consist of advisory fee revenues while expenses are concentrated in compensation expense, which includes employee benefits and employment taxes. Advisory revenues rose from the prior year due to the significant increase in assets under management resulting from broad market strength during the year. The advisory unit's operating expenses, other than compensation expense, remained largely consistent with the prior year. The advisory unit's compensation expense, as previously noted, declined from the prior year due to lower projected annual advisory revenues based on assets under management at the beginning of the year partially offset by higher performance bonus expense as operating results exceeded initial expectations. The balance of the advisory unit's expenses were concentrated in dues and subscriptions, which encompasses certain professional certifications, insurance, communications, and licenses and permits which tend to be relatively consistent from year to year. Winter Harbor Advisors finished the year with assets under management of \$9,278,629, nearly all of which is in discretionary accounts.

Assets at the end of the year were \$1,150,957.27, an increase of \$307,986.50, or 36.5%, from \$842,970.77 as of the end of the prior year. The majority of the Corporation's assets consist of portfolio investments (89.6%) and cash (including cash held by the advisory unit) (10.4%), with the balance essentially comprised of accounts receivable, prepaid expenses, and other assets. Assets rose from the prior year due to strong investment performance and the retention of net income. Cash decreased slightly from the prior year as additional to the investment portfolio exceeded proceeds from sales of investments. The majority of the cash balance was held for investment by the Corporation although the advisory unit also holds a significant amount of cash at any given time to support its operations, offset unearned revenue liabilities, and guarantee the surety bond issued for its regulatory licenses. The advisory unit expects to continue to maintain considerable cash balances for these purposes which are classified as cash held for operations and are not considered available for investment unless and until distributed to the Corporation by the advisory unit as dividends. Dividends are distributed to the Corporation by the advisory unit at least annually based on an assessment of the advisory unit's financial position and other factors, but may be distributed more frequently at the discretion of the advisory unit.

Liabilities stood at \$160,115.75 at the end of the year, an increase of \$64,023.48, or 66.6%, from \$96,092.27 at the end of the prior year. Liabilities were primarily comprised of deferred tax liabilities (87.5%) and taxes payable (12.5%). Liabilities increased from the prior year due to significantly higher deferred taxes associated with unrealized capital gains within the investment portfolio partially offset by a reduction in taxes payable due to larger interim tax deposits.

Shareholder's equity was \$990,841.52 at the end of the year on December 31, 2021, an increase of \$243,963.02, or 32.7%, from \$746,878.50 at the end of the prior year, resulting in a net asset value per share of the Common Stock of \$175.80 at the end of the year. As of December 31, 2021, the Corporation had 5,636.1402 shares of the Common Stock issued and outstanding to twenty-five Shareholders.

INVESTMENT STRATEGY & CORPORATE INVESTMENT HOLDINGS

Getz & Associates' core asset is its investment portfolio. The investment portfolio is managed with the objective of maximizing long-term performance for the shareholders through the consistent application of Getz & Associates' value-oriented investment philosophy. The investment portfolio is typically comprised of common and preferred exchange traded securities and exchange traded corporate bonds but may also consist of other securities, such as mutual funds and stock options, when such securities are determined to offer compelling investment opportunities and/or better economics than individual securities purchases. The following section provides an overview of the securities held in the Corporation's investment portfolio, including a brief description of the business of each portfolio company.

The Corporation generally does not maintain copies of financial records, such as annual reports, quarterly reports, proxy statements, and other such documentation, on companies represented in the investment portfolio as this information is readily available online through each company's web site and/or the Securities and Exchange Commission. Financial records, such as account statements, dividend payment statements, and capital gains distributions are held in hardcopy for approximately three years with prior years generally available electronically through the respective brokerage or custodian. The Corporation's past financial records and statements are available for inspection by the Shareholders.

The Corporation's portfolio holdings were as follows (as of December 31, 2021):

Eastern Michigan Financial Corporation – (EFIN) – Eastern Michigan Financial Corporation is the holding company for Eastern Michigan Bank, a community bank largely serving agricultural communities in the eastern part of the state north of Detroit. The company is one of only a handful of financial institutions serving its primarily rural market area.

Eaton PLC – (ETN) – Eaton is a global manufacturer of industrial products, primarily electrical distribution and control equipment, lighting fixtures and controls, and automotive components. The company became domiciled in Ireland through the company's acquisition of Cooper Industries, a manufacturer of lighting products and controls, in 2012. The company's products are prevalent in the cyclical automotive and construction industries and, as a result, demand for the company's products tends to be sensitive to economic conditions. In 2020, the company sold its Cooper Lighting business to Philips.

EPR Properties Preferred Series E – (EPR.PR.E) – EPR Properties is a real estate investment trust that holds investments in entertainment properties primarily consisting of movie theaters and golf related properties. EPR Properties was hit hard by closures of such venues associated with coronavirus measures although delinquencies have been rather modest. The preferred shares are cumulative convertible preferred shares of the company which pay an annual dividend of 9.00% on the liquidation value of \$25.00 per share. The preferred shares are convertible into common shares of EPR Properties at the holder's option at 0.4512 common shares per preferred shares. EPR Properties can force conversion of the preferred shares under certain circumstances any time after April 20, 2013, primarily if the company's common shares exceed 150% of the conversion price for 20 of any 30 consecutive trading days. However, the common shares are well below the conversion price at this time.

Exchange Bank of Santa Rosa – (EXSR) – Exchange Bank of Santa Rosa is a community bank headquartered in Santa Rosa, California. The bank conducts a traditional banking business focused on commercial lending in its market area. The majority of the company's shares are held by a trust which benefits the Santa Rosa Community College.

Interpublic Group of Companies, Inc. – (IPG) – Interpublic Group of Companies is a holding company for various advertising, communications, media buying, and marketing agencies many of which are leading banners serving large multinational clients. Interpublic Group is one of the largest such advertising and marketing businesses in the world.

J. P. Morgan Chase & Co, Inc. – (JPM) – J.P. Morgan Chase & Company is the largest bank in the United States and one of the largest banks in the world with operations in retail banking, commercial banking, private banking, investment management, investment banking, and other related fields. The bank has a reputation for relatively conservative banking practices which helped the bank weather the mortgage crisis better than most other comparable institutions.

Katahdin Bankshares Corporation – (KTHN) – Katahdin Bankshares is a community bank holding company based in Houlton, Maine, for Katahdin Trust Company. Katahdin Trust primarily serves communities in northeastern Maine with a focus on commercial lending within its market area. The company primarily competes with other Maine based financial institutions although some larger regional and national banks of a presence in certain communities. Katahdin Trust is one of the few remaining Maine based financial institutions which would be an attractive acquisition target for its regionally acquisitive peers.

LGI Homes, Incorporated – (LGIH) – LGI Homes is a homebuilding specializing in smaller single family homes largely located in exurban areas further from urban cores. The company’s focus on affordability and first time home buyers differentiates the company from many of its larger homebuilding peers in an increasingly expensive residential landscape.

MillerKnoll, Incorporated – (MLKN) – MillerKnoll is a leading manufacturer of office furniture and office systems in the United States. The company was formed through the merger of Herman Miller and Knoll during 2021. The closure of offices across the country (and the world) during the pandemic and the ongoing uncertainty about the timing of a sustained return to office environments has impacted the company’s business although the impact is expected to abate over time.

Nustar Logistics L.P. Subordinated Notes – (NSS) – Nustar Logistics is an operator of liquids pipelines and terminals primarily serving the crude oil, refined products, and specialty liquids markets. The company is one of the largest pipeline operators in the United States with more than 8,700 miles of pipelines. The subordinated notes are redeemable fixed-to-floating rate subordinated notes which yielded 7.625% on the redemption value of \$25.00 per note through January 15, 2018, and subsequently shifted to a floating yield of 673.4 basis points (6.734%) over three-month LIBOR. The notes are redeemable by the company at the redemption value on or after January 15, 2018, and mature on January 15, 2043.

Plumas Bancorp – (PLBC) – Plumas Bancorp is a community bank holding company based in Quincy, California, for the eponymously named Plumas Bank. Plumas Bank primarily serves smaller communities in northeastern California north of the Lake Tahoe region although the company has also developed a presence in Reno, Nevada. Plumas Bancorp is remarkable since it is one of only two banks in many of its markets (and in some cases the only bank) and thus holds a very high deposit market share across its market area. In addition, the company’s market position allows Plumas to sustain an unusually high net interest margin which is a key factor in bank profitability.

Sally Beauty Holdings, Inc. – (SBH) – Sally Beauty Holdings is a retailer of beauty products with a focus on hair care. The company operates Sally Beauty stores focused on the retail market and CosmoProf stores which focus on the professional salon market. Sally Beauty generates a significant amount of its revenues from its own brands as well as from exclusive agreements with third party brands which provides a bulwark against direct competition from other beauty retailers.

Signet Jewelers Limited – (SIG) – Signet Jewelers is a leading mass market retailer of jewelry and associated products largely under various national brand names such as Jared, Kay, and Zales. The company experienced a series of challenges over the last few years beginning with issues within the executive leadership and spilling over into weakening sales in its largely mall-based stores. However, the company has made significant strides to turn the business and continues to generate significant amounts of cash.

Signet Jewelers Limited (Put Options) – A portion of the portfolio position in Signet Jewelers (33.33%) is hedged through a short call option position. The short call option position allows the counterparty holding the call options to purchase a specified number of shares at a specified price (the strike price) on or before a specified date (the expiration date). The call options have a strike price of \$100.00 per share and an expiration date of January 20, 2023. The breakeven price per share is approximately \$109.99, approximately 26.4% above the closing price for Signet Jewelers shares on December 31, 2021.

Target Corporation – (TGT) – Target is one of the largest national mass merchandise retailers in the United States. The company has established a reputation for developing and partnering with well-known brands in exclusive arrangements to drive customer traffic to its stores. However, the ability of the company to continue doing so and the ability to convert the resulting customer traffic into sales in other categories will remain an important component of the company’s long-term ability to compete against online merchandisers. Target’s efforts to diversify delivery options and, in particular, encourage delivery and store based pickup options have benefited the company’s financial performance especially in the context of the pandemic.

United Bancorporation of Alabama – (UBAB) – United Bancorporation of Alabama is a community bank holding company based in Atmore, Alabama. The company’s subsidiary, United Bank, serves southern Alabama roughly between Mobile, Alabama, and Pensacola, Florida. United Bancorporation has benefited significant in the last few years for large community banking grants which support targeted economic development lending in its communities and the associated fees and loans.

Unum Group, Inc. – (UNM) – Unum is one of the largest employer benefit insurers in the United States providing accident, disability, life, and critical illness products largely through employer sponsored benefit plans. The company also operates in Poland and the United Kingdom. Unum’s consistently profitable employer benefits business has been burdened by the company’s closed block insurance (that is, products which are no longer offered although active policies remain outstanding) which has a significant exposure to long term care insurance liabilities which have been problematic across the industry.

Walgreens Boots Alliance, Inc. – (WBA) – Walgreens Boots Alliance is one of the largest pharmacy operators in the United States and United Kingdom. The company has formed through Walgreen Company’s acquisition of Boots Alliance, a major European pharmacy operator.

Western Digital Corporation – (NYSE: WDC) – Western Digital is one of the largest manufacturers of hard drive and solid-state storage devices. The company's products primarily serve the consumer segment, including hard drives for laptops, personal computers, and remote backup devices, although the company has been developing products aimed at the commercial segment.

INVESTMENT MANAGEMENT AND ADVISORY SUBSIDIARY

Winter Harbor Advisors emphasizes a consistent approach to managing client accounts tailored in individual cases to the specific circumstances and needs of the respective client. As a result, the advisory unit seeks clients who understand and are committed to the style of investing which the advisory unit pursues. Although this approach may limit growth of our client base and of assets under management, which largely drives advisory revenues, the advisory unit believes this approach is most consistent with its own objectives, in particular since it ensures that the advisory unit invests the bulk of its time in research, analysis, and education rather than with issues related to client disagreements over approach and strategy. The advisory unit believes it is critical to align its own interests with those of its clients, and doing so requires that the advisory unit specifically educate potential clients in its investment philosophy and asset management approach before considering prospective clients for an advisory relationship. As a result, the advisory unit is very selective about the clients it selects and accordingly, this may limit the advisory unit’s growth in terms of clients and assets under management over future periods.

The advisory unit’s clients range from clients who are just beginning the investment cycle with smaller accounts to clients who are at or towards the end of the investment cycle who are more focused on capital preservation and current income. In addition to traditional securities research and investment management, each client receives additional incidental assistance with traditional financial considerations which impact their long-term financial well being. For clients in the earlier stages of the investment cycle, this generally includes assistance and advice with respect to creating budgets and savings plans, retirement plans, college savings plans, and other related issues as they become more familiar with the financial landscape. Clients towards the end of the investment cycle require some of the same assistance and advice, but are generally focused on pension and social security planning, retirement withdrawals and the associated tax consequences, and other matters.

Winter Harbor provides its advisory services through four advisory account programs tailored to the needs of different investment styles. The traditional program, called the “Portfolio Account,” provides investment management and financial advisory services for clients based on our internal investment research. In addition, the firm offers the “Fixed Income Account” which focuses on clients with portfolios consisting primarily of fixed income securities, the “Index Account” for clients who prefer to invest only through index funds, and the “Institutional Account” aimed at non-profit and institutional clients which do not need the full extent of financial advisory services which are incorporated into our individual advisory account programs. The advisory fee schedules for each account type are similarly tailored to the associated

investment approach.

RETAIL STRATEGY & RETAIL HOLDINGS

The Corporation recorded no retail revenues during the year and does not anticipate recording any material retail revenues for the coming year. However, the Corporation continues to maintain certain rights with respect to the “World Wide Stamp Company” trade name as well as the retail operation’s existing sales tax license as the annual cost of doing so is insignificant.

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

	For the Year Ended:	December 31	December 31	December 31
		<u>2019</u>	<u>2020</u>	<u>2021</u>
OPERATING REVENUES:				
Investment Income:				
Dividend Income:		\$9,616.50	\$16,689.25	\$18,593.75
Interest Income:		\$4,380.13	\$229.58	\$1,542.83
Total Investment Income:		<u>\$13,996.63</u>	<u>\$16,918.83</u>	<u>\$20,136.58</u>
Advisory Revenues:		\$78,179.41	\$74,466.63	\$79,655.81
Retail Revenues:		\$0.00	\$0.00	\$0.00
Total Operating Revenues:		<u>\$92,176.04</u>	<u>\$91,385.46</u>	<u>\$99,792.39</u>
OPERATING EXPENSES:				
Wages and Compensation:		\$65,102.33	\$66,297.48	\$62,051.88
Banking Fees:		\$1,625.56	\$25.00	\$0.50
Cost of Products Sold:		\$0.00	\$0.00	\$0.00
Corporate & Regulatory Fees:		\$27.00	\$175.50	\$250.00
Insurance:		\$200.00	\$200.00	\$200.00
Postage & Freight:		\$0.00	\$4.95	\$52.37
General Expenses:		\$779.05	\$703.34	\$859.11
Other Operating Expenses:		\$0.00	\$0.00	\$0.00
Total Operating Expenses:		<u>\$67,733.94</u>	<u>\$67,406.27</u>	<u>\$63,413.86</u>
OTHER INCOME/(EXPENSE):				
Realized Gains/(Losses):		\$8,951.13	\$100,556.22	\$49,812.17
Interest Income/(Expense):		\$329.48	\$338.83	\$346.44
Other Income/(Expense):		\$0.00	\$0.00	\$0.00
Total Other Income/(Expense):		<u>\$9,280.61</u>	<u>\$100,895.05</u>	<u>\$50,158.61</u>
Income Before Income Taxes:		<u>\$33,722.71</u>	<u>\$124,874.24</u>	<u>\$86,537.14</u>
Provision for Income Taxes:		<u>\$7,477.87</u>	<u>\$30,520.07</u>	<u>\$17,524.63</u>
Net Income:		<u>\$26,244.84</u>	<u>\$94,354.17</u>	<u>\$69,012.51</u>
Earnings Per Share (Basic):		<u>\$4.66</u>	<u>\$16.74</u>	<u>\$12.24</u>
Earnings Per Share (Diluted):		<u>\$4.66</u>	<u>\$16.74</u>	<u>\$12.24</u>
Shares Outstanding (Basic):		<u>5,636.1402</u>	<u>5,636.1402</u>	<u>5,636.1402</u>
Shares Outstanding (Diluted):		<u>5,636.1402</u>	<u>5,636.1402</u>	<u>5,636.1402</u>

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

	As of:	December 31	December 31	December 31
		<u>2019</u>	<u>2020</u>	<u>2021</u>
ASSETS:				
Current Assets:				
Cash & Cash Equivalents:		\$93,849.63	\$121,241.76	\$112,809.47
Accounts Receivable:		\$5,228.18	\$4,500.00	\$6,128.58
Inventories:		\$0.00	\$0.00	\$0.00
Prepaid Expenses:		\$586.86	\$445.02	\$619.65
Other Current Assets:		\$8.80	\$8.80	\$8.80
Total Current Assets:		<u>\$99,673.47</u>	<u>\$126,195.58</u>	<u>\$119,566.50</u>
Investments:				
Investments at Fair Value:		\$606,024.50	\$716,585.00	\$1,031,227.55
Total Investments:		<u>\$606,024.50</u>	<u>\$716,585.00</u>	<u>\$1,031,227.55</u>
Other Assets:				
Intangible Assets:		\$71.32	\$44.35	\$17.38
Other Assets:		\$145.83	\$145.84	\$145.84
Total Other Assets:		<u>\$217.15</u>	<u>\$190.19</u>	<u>\$163.22</u>
Total Assets:		<u><u>\$705,915.12</u></u>	<u><u>\$842,970.77</u></u>	<u><u>\$1,150,957.27</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY:				
Current Liabilities:				
Accounts Payable:		\$0.00	\$0.00	\$0.00
Accrued Liabilities:		\$15.40	\$35.71	\$28.76
Unearned Revenues:		\$0.00	\$0.00	\$0.00
Taxes Payable:		\$9,902.29	\$30,822.23	\$19,968.38
Other Current Liabilities:		\$0.00	\$0.00	\$0.00
Total Current Liabilities:		<u>\$9,917.69</u>	<u>\$30,857.94</u>	<u>\$19,997.14</u>
Long-Term Debt (Less Current Portion):		\$0.00	\$0.00	\$0.00
Deferred Income Tax Liabilities:		\$60,664.47	\$65,234.33	\$140,118.61
Other Long-Term Liabilities:		\$0.00	\$0.00	\$0.00
Total Liabilities:		<u>\$70,582.16</u>	<u>\$96,092.27</u>	<u>\$160,115.75</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
Treasury Stock (at cost):		(\$7,833.75)	(\$7,833.75)	(\$7,833.75)
Retained Earnings:		\$319,060.69	\$413,414.86	\$482,427.37
Accumulated Other Comprehensive Income:		\$228,213.95	\$245,405.32	\$420,355.83
Total Shareholders' Equity:		<u>\$635,332.96</u>	<u>\$746,878.50</u>	<u>\$990,841.52</u>
Total Liabilities and Equity:		<u><u>\$705,915.12</u></u>	<u><u>\$842,970.77</u></u>	<u><u>\$1,150,957.27</u></u>
Shareholder's Data:				
Number of Shares Issued and Outstanding:		5,636.1402	5,636.1402	5,636.1402
Net Asset Value Per Share:		\$112.72	\$132.51	\$175.80
Net Gain/(Loss) Per Share:		\$17.62	\$19.79	\$43.29
Percentage Net Change:		18.5%	17.6%	32.7%
Treasury Shares:		125	125	125
Number of Shareholders:		25	25	25

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

	For the Year Ended:	December 31	December 31	December 31
		<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>				
Net Income:		\$26,244.84	\$94,354.17	\$69,012.51
Plus: Depreciation and Amortization:		\$0.00	\$0.00	\$0.00
Reconciliation to Net Cash Provided by Operating Activities:				
(Increase)/Decrease in Accounts Receivable:		\$958.22	\$728.18	(\$1,628.58)
(Increase)/Decrease in Inventories:		\$0.00	\$0.00	\$0.00
(Increase)/Decrease in Prepaid Expenses:		\$26.84	\$141.84	(\$174.63)
(Increase)/Decrease in Other Current Assets:		\$0.00	\$0.00	\$0.00
Increase/(Decrease) in Accounts Payable:		\$0.00	\$0.00	\$0.00
Increase/(Decrease) in Accrued Liabilities:		(\$15.65)	\$20.31	(\$6.95)
Increase/(Decrease) in Unearned Revenues:		\$0.00	\$0.00	\$0.00
Increase/(Decrease) in Taxes Payable:		\$6,897.14	\$20,919.94	(\$10,853.85)
Increase/(Decrease) in Other Current Liabilities:		\$0.00	\$0.00	\$0.00
Plus/(Less) Realized Loss/(Gain) on Investments:		(\$8,951.13)	(\$100,556.22)	(\$49,812.17)
Net Non-Cash (Income)/Expense:		\$0.00	\$0.00	\$0.00
Net Cash Provided by/(Used in) Operating Activities:		<u>\$25,160.26</u>	<u>\$15,608.22</u>	<u>\$6,536.33</u>
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments:		(\$29,003.70)	(\$193,275.40)	(\$114,409.90)
Proceeds from Sale or Redemption of Investments:		\$1,420.00	\$205,032.35	\$99,414.31
Purchase of Plant, Property, and Equipment, Net of Sales:		\$0.00	\$0.00	\$0.00
Investment in Other and Intangible Assets:		\$26.93	\$26.96	\$26.97
Net Cash Provided by/(Used in) Investing Activities:		<u>(\$27,556.77)</u>	<u>\$11,783.91</u>	<u>(\$14,968.62)</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>(\$2,396.51)</u>	<u>\$27,392.13</u>	<u>(\$8,432.29)</u>
Cash at Beginning of Year:		<u>\$96,246.14</u>	<u>\$93,849.63</u>	<u>\$121,241.76</u>
Cash at End of Year:		<u>\$93,849.63</u>	<u>\$121,241.76</u>	<u>\$112,809.47</u>

Getz & Associates, Incorporated, and Subsidiaries

Portfolio Composition

(Includes unrealized gains and losses; as of December 31, 2021.)

Long Positions

<u>Shares</u>	<u>Company</u>	<u>Symbol</u>	<u>Cost</u>	<u>Current</u>	<u>Gain (Loss)</u>	<u>Cumulative Return</u>
1000	Eastern Michigan Financial Corporation	EFIN	\$20,006.95	\$34,900.00	\$14,893.05	74.44%
500	Eaton PLC	ETN	\$22,176.84	\$86,410.00	\$64,233.16	289.64%
1500	EPR Properties Preferred Series "E"	EPR-E	\$25,739.38	\$53,625.00	\$27,885.62	108.34%
300	Exchange Bank of Santa Rosa	EXSR	\$26,119.98	\$46,638.00	\$20,518.02	78.55%
1000	Interpublic Group of Companies, Inc.	IPG	\$17,308.40	\$37,450.00	\$20,141.60	116.37%
500	JPMorgan Chase, Inc.	JPM	\$22,103.94	\$79,175.00	\$57,071.06	258.19%
1,500	Katahdin Bankshares Corporation	KTHN	\$25,075.85	\$38,325.00	\$13,249.15	52.84%
750	LGI Homes, Inc.	LGIH	\$23,290.70	\$115,860.00	\$92,569.30	397.45%
640	MillerKnoll, Inc.	MLKN	\$27,206.40	\$25,081.60	(\$2,124.80)	-7.81%
2,000	Nustar Logistics L.P. Subordinated Notes	NSS	\$46,096.98	\$50,440.00	\$4,343.02	9.42%
1,000	Plumas Bancorp	PLBC	\$15,983.06	\$33,790.00	\$17,806.94	111.41%
4,000	Sally Beauty Holdings, Inc.	SBH	\$62,485.67	\$73,840.00	\$11,354.33	18.17%
1,500	Signet Jewelers Limited	SIG	\$10,125.15	\$130,545.00	\$120,419.85	1189.31%
250	Target Corporation	TGT	\$15,300.28	\$57,860.00	\$42,559.72	278.16%
1,000	United Bancorporation of Alabama, Inc.	UBAB	\$15,504.63	\$29,200.00	\$13,695.37	88.33%
2,500	Unum Group, Incorporated	UNM	\$47,642.50	\$61,425.00	\$13,782.50	28.93%
1,000	Walgreens Boots Alliance, Inc.	WBA	\$44,473.92	\$52,160.00	\$7,686.08	17.28%
500	Western Digital Corporation	WDC	\$9,109.12	\$32,605.00	\$23,495.88	257.94%
Totals:			\$475,749.75	\$1,039,329.60	\$563,579.85	118.46%

Short Positions

Notional

<u>Shares</u>	<u>Company</u>	<u>Symbol</u>	<u>Cost</u>	<u>Current</u>	<u>Gain (Loss)</u>	<u>Return</u>
500	Signet Jewelers \$100.00 Jan 2023 Call Options		(\$4,996.64)	(\$8,102.05)	(\$3,105.41)	-62.15%
Totals:			(\$4,996.64)	(\$8,102.05)	(\$3,105.41)	-62.15%

Aggregate Portfolio Totals:

\$470,753.11	\$1,031,227.55	\$560,474.44	119.06%
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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 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. The 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 follow the standards of U.S. GAAP (Generally Accepted Accounting Principles). However, the Corporation’s accounting methods may differ from the standards of U.S. GAAP in certain instances where the Corporation believes an alternative accounting principle provides a more meaningful financial presentation. Nonetheless, the Corporation believes that its method of accounting is satisfactory for the Corporation’s purposes and fully and accurately reflects its accounts, activities, and financial results. 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.

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.

Notes to the Consolidated Financial Statements

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.

In 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-01 – Financial Instruments – Overall (Subtopic 825-10) and subsequent clarifications which, among other modifications, eliminated the available-for-sale designation for investments and required changes in the fair market value of investments to be recognized and reported in the income statement rather than as adjustments, net of taxes, to accumulated other comprehensive income in the balance sheet. The modified approach is generally referred to as "mark-to-market" accounting.

The Corporation has determined that adoption of this accounting methodology would obscure the Corporation's underlying operating results and provide little material benefit to shareholders as compared to its current and historical accounting methodology for investments and any associated unrealized gains or losses. The Corporation has therefore continued to utilize the available-for-sale accounting methodology for the presentation of its investment portfolio and reflecting unrealized gains and losses, net of tax, in accumulated other comprehensive income. This deviation from U.S. GAAP does not result in a material difference in the Corporation's overall financial position.

In addition, U.S. GAAP prior to the issuance of ASU 2016-01 included a provision providing for the immediate recognition in the income statement of unrealized losses on investments which, under certain circumstances, are considered impaired on an other-than-temporary basis. An investment is considered impaired when the fair market value is less than the original cost basis (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. 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, net of tax, 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.

Notes to the Consolidated Financial Statements

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 such gains and losses) and temporary differences arising from differences between the Corporation's financial reporting and tax reporting. The Corporation does not presently have any temporary differences arising from 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, 2021, 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.

Notes to the Consolidated Financial Statements

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 several 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 2021. 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 utilizing the statutory federal corporate income tax rate in effect during the respective period.

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.

Notes to the Consolidated Financial Statements

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 at that time.

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, 2021, the outstanding balance under the Corporation's revolving lines of credit (including the Corporation's subsidiary's line of credit) was \$28.76.

Note 18 – 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.

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 19 – 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 20 – 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

Notes to the Consolidated Financial Statements

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, 2021, the Corporation recorded a net investment of \$22,000.00 in Winter Harbor Advisors. A reconciliation of the Corporation's net investment is provided below:

As of December 31:	<u>2021</u>	2020	2019
Cash and Equivalents:	\$21,196.10	\$20,119.32	\$19,521.64
Other Assets:	\$6,484.42	\$5,043.83	\$5,860.90
Total Assets:	\$27,680.52	\$25,163.15	\$25,382.54
Liabilities:	\$28.76	\$35.71	\$15.40
Taxes Payable:	\$5,651.76	\$3,127.44	\$3,367.14
Total Liabilities:	\$5,680.52	\$3,163.15	\$3,382.54
Net Investment:	\$22,000.00	\$22,000.00	\$22,000.00

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 \$3,455.85 in dividend distributions and \$4,063.75 in income tax liability adjustment payments during 2021.

Note 21 – Subsequent Events

On January 3, 2022, the Corporation received a cash distribution from the Advisory Subsidiary related to income tax liabilities and dividend distributions of excess capital in the amount of \$16,583.94, comprised of \$11,345.04 in dividend distributions and \$5,238.90 in income tax liability adjustment payments.

