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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/11 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Garrett Nagle & Company, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

300 Unicorn Park Drive

(No. and Street)

Woburn

MA

01801

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Noreen Wight

617-737-9090

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Schneider, Schneider & Associates P.C.

(Name - if individual, state last, first, middle name)

35 Braintree Hill Office Park

Braintree

MA

02184

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

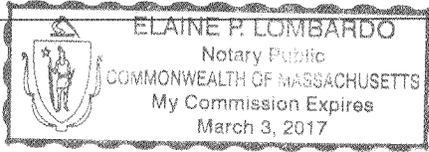
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Handwritten signature/initials

OATH OR AFFIRMATION

I, GARRETT J. NAGLE, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Garrett Nagle & Company, Inc., as of December 31, 2011, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



[Signature]
Signature
PRESIDENT
Title

Elaine P. Lombardo
Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

GARRETT NAGLE & COMPANY, INC.

Financial Statements
Years ended December 31, 2011 and 2010

SCHNEIDER, SCHNEIDER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

GARRETT NAGLE & COMPANY, INC.

Financial Statements
Years ended December 31, 2011 and 2010

GARRETT NAGLE & COMPANY, INC.

Years ended December 31, 2011 and 2010

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SCHNEIDER, SCHNEIDER & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

35 BRAINTREE HILL OFFICE PARK

BRAINTREE, MASSACHUSETTS 02184-8709

TEL. (781) 843-6601

FAX (781) 849-6772

Independent Auditors' Report

Board of Directors
Garrett Nagle & Company, Inc.
Woburn, Massachusetts

We have audited the accompanying statements of financial condition of Garrett Nagle & Company, Inc. as of December 31, 2011 and 2010, and the related statements of income (loss), shareholder's equity and comprehensive income and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Garrett Nagle & Company, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Supplementary information for the years ended December 31, 2011 and 2010 is presented on pages 14 through 19. The information presented on pages 15 through 19 is required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Schneider, Schneider & Associates PC

February 17, 2012

GARRETT NAGLE & COMPANY, INC.

Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 519,088	\$ 295,830
Marketable securities	649,946	1,193,411
Receivable for investments sold	85,379	-
Accounts receivable	18,866	1,762
Prepaid expenses	3,090	4,576
Total current assets	<u>1,276,369</u>	<u>1,495,579</u>
Property and equipment, net	<u>35,495</u>	<u>42,247</u>
Noncurrent assets:		
Restricted cash	<u>24,867</u>	<u>24,669</u>
Total assets	<u>\$ 1,336,731</u>	<u>\$ 1,562,495</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 25,837	\$ 20,380
Accrued pension contribution	24,633	24,000
Deferred rent	5,383	9,997
Deferred investment advisor fees	419,375	425,642
Total current liabilities	<u>475,228</u>	<u>480,019</u>
Shareholder's equity:		
Common stock, 250,000 shares authorized; 25,000 shares issued and outstanding	25,000	25,000
Additional paid-in-capital	17,428	17,428
Retained earnings	648,242	770,634
Accumulated other comprehensive income	170,833	269,414
Total shareholder's equity	<u>861,503</u>	<u>1,082,476</u>
Total liabilities and shareholder's equity	<u>\$ 1,336,731</u>	<u>\$ 1,562,495</u>

See notes to financial statements.

GARRETT NAGLE & COMPANY, INC.

Statements of Income (Loss)
Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Investment advisory fees	\$ 985,797	\$ 905,562
Commissions	520,558	721,630
Net miscellaneous income	1,429	2,292
Total revenues	<u>1,507,784</u>	<u>1,629,484</u>
Operating expenses	<u>1,544,503</u>	<u>1,597,439</u>
Income (loss) from operations	<u>(36,719)</u>	<u>32,045</u>
Other income:		
Realized gain on marketable securities	(3,343)	67,444
Dividend and interest income	17,670	33,852
Total other income	<u>14,327</u>	<u>101,296</u>
Net income (loss)	<u>\$ (22,392)</u>	<u>\$ 133,341</u>

GARRETT NAGLE & COMPANY, INC.

Statements of Shareholder's Equity and Comprehensive Income
Years ended December 31, 2011 and 2010

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Accumulated</u>	<u>Total</u>	<u>Comprehensive</u>
	<u>Number</u>	<u>Value</u>	<u>Paid in</u>	<u>Earnings</u>	<u>Other</u>	<u>Shareholder's</u>	<u>Income (Loss)</u>
	<u>of Shares</u>		<u>Capital</u>		<u>Comprehensive</u>	<u>Equity</u>	
					<u>Income</u>		
Balance at January 1, 2010	25,000	\$ 25,000	\$ 17,428	\$ 662,293	\$ 202,955	\$ 907,676	
Shareholder Distribution	-	-	-	(25,000)	-	(25,000)	
Net unrealized gain on securities	-	-	-	-	66,459	66,459	\$ 66,459
Net income	-	-	-	133,341	-	133,341	133,341
Balance at December 31, 2010	25,000	25,000	17,428	770,634	269,414	1,082,476	<u>\$ 199,800</u>
Shareholder distribution	-	-	-	(100,000)	-	(100,000)	
Net unrealized loss on securities	-	-	-	-	(98,581)	(98,581)	(98,581)
Net loss	-	-	-	(22,392)	-	(22,392)	(22,392)
Balance at December 31, 2011	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ 17,428</u>	<u>\$ 648,242</u>	<u>\$ 170,833</u>	<u>\$ 861,503</u>	<u>\$ (120,973)</u>

See notes to financial statements.

GARRETT NAGLE & COMPANY, INC.

Statements of Cash Flows
Years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ (22,392)	\$ 133,341
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	12,135	13,619
Realized gain on Marketable Securities	3,343	(67,444)
Securities donated to charity	15,001	15,011
Changes in operating assets and liabilities:		
Accounts receivable	(17,104)	27,086
Prepaid expenses	1,486	-
Accounts payable and accrued expenses	5,457	(16,831)
Deferred rent	(4,614)	(4,614)
Deferred revenue	(6,267)	13,865
Net cash provided (used) by operating activities	(12,322)	114,033
Cash flows from investing activities:		
Purchases of marketable securities	(344,347)	(554,049)
Proceeds from the sales of marketable securities	685,509	348,335
Transfer to restricted cash	(198)	(534)
Acquisition of property and equipment	(5,383)	(5,261)
Net cash provided (used) by investing activities	335,581	(211,509)
Cash flows from financing activities:		
Distribution to shareholder	(100,000)	(25,000)
Net cash used by financing activities	(100,000)	(25,000)
Net increase (decrease) in cash and cash equivalents	223,258	(122,476)
Cash and cash equivalents at beginning of year	295,830	418,306
Cash and cash equivalents at end of year	\$ 519,088	\$ 295,830
Supplemental disclosures of cash flow information:		
State income tax paid	\$ 3,297	\$ 2,268

See notes to financial statements.

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements
Years ended December 31, 2011 and 2010

1. Summary of significant accounting policies:

Nature of business:

Garrett Nagle & Company, Inc. (the “Company”) is an investment advisor and broker-dealer in Woburn, Massachusetts and is registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). The Company’s primary sources of revenue are generated through investment advisory services provided for its customers and commission earned on trades consummated on behalf of these customers.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions involve the areas of fair values of marketable securities and certain accrued expenses. Accordingly, actual results could differ from those estimates.

Securities transactions:

Proprietary securities transactions are recorded on the trade date, as if they had settled. Therefore, realized gains and losses arising from all securities transactions entered into for the account and the risk of the Company are recorded on a trade-date basis. Customers’ securities transactions are reported to them on a settlement-date basis with related commission income and expenses reported on a trade-date basis in the Company’s financial statements.

Cash and cash equivalents:

The Company considers money market funds all highly liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. The Company places its temporary cash investments with financial institutions considered by management to be of high credit quality. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (“FDIC”) limit.

Accounts receivable and receivable for investments sold:

Accounts receivable represent commissions due. Receivable for investments sold represents balances due for current year trades that were settled in the following year. No allowance has been provided for on these balances, because management believes all amounts are collectible.

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

1. Summary of significant accounting policies: (Continued)

Marketable securities:

The Company accounts for marketable securities in accordance with generally accepted accounting principles. Securities are categorized as available-for-sale and are stated at their fair market value, with unrealized gains and losses reported as a separate component of stockholder's equity unless a decline in value is deemed to be other-than-temporary, in which case affected securities are written down and the loss charged to income. The cost of securities sold is determined using the specific identification method as a basis of recognizing realized gains and losses. (See Note 9).

Other-than-temporary impairment of securities:

Securities are evaluated on at least a quarterly basis and more frequently when economic or market conditions warrant such an evaluation to determine whether a decline in their value is other than temporary. Management utilizes criteria such as the magnitude and duration of the decline and the intent and ability of the Company to retain its investment in the issues for a period of time sufficient to allow for an anticipated recovery in fair value, in addition to the reasons underlying the decline, to determine whether the loss in value is other than temporary. The term "other than temporary" is not intended to indicate that the decline is permanent, but indicates that the prospects for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than carrying value of the investment. Once a decline in value is determined to be other than temporary, the value of the security is reduced and a corresponding charge to earnings is recognized.

Property and equipment:

Property and equipment is stated at cost. Depreciation is recorded on the straight-line basis over the estimated useful life of the related assets. Maintenance and repairs are charged to expense as incurred, while any additions or improvements are capitalized.

Revenue recognition:

Investment advisory fees are billed and collected annually, in advance, and recognized ratably on a monthly basis as earned during the year. Fees collected in advance and not yet earned are recorded as deferred revenue.

Commission revenue is received monthly and recorded in the period earned.

Comprehensive income:

As required by generally accepted accounting principles, total comprehensive income is reported in the financial statements. It is presented in the Statements of Shareholder's Equity.

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

1. Summary of significant accounting policies: (Continued)

Income taxes:

The Company's sole shareholder has elected, under the provisions of the Internal Revenue Code, to be treated as an S Corporation. As a result, income and losses of the Company are passed through to its shareholder for income tax purposes. Accordingly, no provision has been made for income taxes. The Company is subject to corporate state tax on net taxable income if the Company's annual revenue exceeds certain dollar values. The Company's annual revenue did not exceed these thresholds in 2011 and 2010, however, it is subject to an excise tax on the greater of its tangible property or net worth.

The Company accounts for uncertainty with regard to income taxes in accordance with accounting principles generally accepted in the United States of America. Since the Company is an S Corporation and generally not subject to federal or state taxes, there are no material unrecognized tax benefits or adjustments to liabilities or operations required as of December 31, 2011.

The Company's tax returns for the years ended December 31, 2008 through 2011 are subject to examination by the Internal Revenue Service and state taxing authorities, although no such examinations have been initiated as of the date of the Accountants' Audit Report.

Subsequent Events

Subsequent events were evaluated through February 17, 2012, which is the date the financial statements were available to be issued.

2. Property and equipment:

Property and equipment consists of the following at December 31:

	<u>2011</u>	<u>2010</u>
Motor vehicle	\$ 97,215	\$ 97,215
Office equipment	70,196	64,813
Furniture and fixtures	36,582	36,582
Leasehold improvements	<u>5,695</u>	<u>5,695</u>
	209,688	204,305
Less accumulated depreciation	<u>174,193</u>	<u>162,058</u>
	<u>\$ 35,495</u>	<u>\$ 42,247</u>

Depreciation expense was \$12,135 and \$13,619 in 2011 and 2010, respectively.

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

3. Marketable securities:

Marketable securities classified as available-for-sale consisted of the following:

<u>December 31, 2011</u>	<u>Cost</u>	<u>Market</u>	<u>Cumulative Unrealized Gain</u>	<u>Cumulative Unrealized Loss</u>
Corporate Bonds	\$ 82,594	\$108,986	\$ 26,392	\$ -
Equities:				
Consumer Discretionary	81,770	76,200	-	(5,570)
Consumer Staples	15,868	40,137	24,269	-
Energy	40,770	45,640	4,870	-
Financial	57,279	97,656	48,417	(8,040)
Healthcare	44,166	138,525	94,359	-
Technology	<u>156,666</u>	<u>142,802</u>	<u>8,781</u>	<u>(22,645)</u>
	<u>396,519</u>	<u>540,960</u>	<u>180,696</u>	<u>(36,255)</u>
Total	<u>\$479,113</u>	<u>\$649,946</u>	<u>\$207,088</u>	<u>(\$ 36,255)</u>
<u>December 31, 2010</u>	<u>Cost</u>	<u>Market</u>	<u>Cumulative Unrealized Gain</u>	<u>Cumulative Unrealized Loss</u>
Corporate Bonds	\$130,670	\$ 154,435	\$ 23,765	\$ -
Equities:				
Consumer Discretionary	91,343	171,757	80,414	-
Consumer Staples	15,868	33,280	17,412	-
Energy	40,770	60,800	20,030	-
Financial	235,059	279,344	59,132	(14,852)
Healthcare	103,432	129,835	27,908	(1,505)
Technology	<u>56,825</u>	<u>77,500</u>	<u>20,675</u>	<u>-</u>
	<u>543,297</u>	<u>752,516</u>	<u>225,571</u>	<u>(16,357)</u>
Mutual Funds	<u>250,025</u>	<u>286,460</u>	<u>36,435</u>	<u>-</u>
Total	<u>\$923,992</u>	<u>\$1,193,411</u>	<u>\$285,771</u>	<u>(\$ 16,357)</u>

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

3. Marketable securities: (Continued)

For the years ended December 31, 2011 and 2010, net realized gains (losses) of (\$3,343) and \$67,444, respectively, were transferred from accumulated other comprehensive income and recognized in income.

The Company donated securities with a fair value of \$15,001 and \$15,011 to charities in 2011 and 2010, respectively.

4. Commitments:

Operating leases:

On July 1, 2009, the Company began leasing office space in Woburn, Massachusetts under a non-cancellable operating lease, which expires on February 28, 2013. The term of the lease requires monthly rental payments. The Company received 2 months of free rent which are being amortized over the term of the lease on a straight line basis.

Future minimum lease payments under the lease described above are as follows:

2012	\$106,000
2013	<u>18,000</u>
	<u>\$124,000</u>

Total rent expense, including operating expenses, for the years ended December 31, 2011 and 2010 was \$98,000 and \$94,000, respectively.

5. 401(k) Profit Sharing Plan:

The Company sponsors a 401(k) profit sharing plan (the "Plan") covering substantially all of its employees. Annual employer contributions to the 401(k) plan are calculated at 3% of qualifying compensation for all active participants. The Company may also make discretionary profit sharing contributions to the Plan, which, if made, are allocated on the basis of employee compensation. The total expense under the Plan for the years ended December 31, 2011 and 2010 was \$28,000 and \$30,000, respectively.

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

6. **Net capital:**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined, of \$100,000 and the ratio of aggregate indebtedness to net capital must be less than 15 to 1, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2011 and 2010, the Company had net capital of \$692,646 and \$862,743, respectively, exceeding the minimum net capital requirement of \$100,000 for each year. At December 31, 2011 and 2010, the Company had a ratio of aggregate indebtedness to net capital of .69 to 1 and .56 to 1, respectively, lower than the maximum ratio allowed of aggregate indebtedness to net capital of 15 to 1 for each year.

7. **Concentrations of credit risk:**

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

8. **Restricted cash:**

The Company maintains a certificate of deposit as collateral for an irrevocable letter of credit required by the Woburn office lease.

9. **Fair Value Measurements:**

The Company has implemented the provisions of generally accepted accounting principles regarding fair value measurements and disclosure. These provisions establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

9. Fair Value Measurements: (Continued)

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Fair market value is determined to be the last reported sales price of the marketable securities as listed on the applicable public exchange at closing on the last business day of the period.

The following tables present by level, within the fair value hierarchy, the Company's investment assets at fair value, as of December 31, 2011 and 2010. As required by professional standards, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

<u>December 31, 2011</u>	<u>Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & cash equivalents	\$ 543,955	\$ 543,955	\$ -	\$ -
Marketable securities:				
Corporate bonds	<u>108,986</u>	<u>-</u>	<u>108,986</u>	<u>-</u>
Equities:				
Consumer Discretionary	76,200	76,200	-	-
Consumer Staples	40,137	40,137	-	-
Energy	45,640	45,640	-	-
Financial	97,656	97,656	-	-
Healthcare	138,525	138,525	-	-
Technology	<u>142,802</u>	<u>142,802</u>	<u>-</u>	<u>-</u>
	<u>540,960</u>	<u>540,960</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,193,901</u>	<u>\$1,084,915</u>	<u>\$ 108,986</u>	<u>\$ -</u>

GARRETT NAGLE & COMPANY, INC.

Notes to Financial Statements (Continued)
Years ended December 31, 2011 and 2010

9. Fair Value Measurements: (Continued)

<u>December 31, 2010</u>	<u>Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & cash equivalents	\$ 320,499	\$ 320,499	\$ -	\$ -
Marketable securities:				
Corporate bonds	<u>154,435</u>	<u>-</u>	<u>154,435</u>	<u>-</u>
Equities:				
Consumer Discretionary	171,757	171,757	-	-
Consumer Staples	33,280	33,280	-	-
Energy	60,800	60,800	-	-
Financial	279,344	279,344	-	-
Healthcare	129,835	129,835	-	-
Technology	<u>77,500</u>	<u>77,500</u>	<u>-</u>	<u>-</u>
	<u>752,516</u>	<u>752,516</u>	<u>-</u>	<u>-</u>
Mutual Funds	<u>286,460</u>	<u>286,460</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,513,910</u>	<u>\$1,359,475</u>	<u>\$154,435</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

GARRETT NAGLE & COMPANY, INC.

Schedules of Operating Expenses
Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Advertising	\$ -	\$ 2,782
Automobile expense	1,999	2,451
Bank Services	392	762
Charitable contributions	20,351	20,261
Clearing charges	122,080	174,409
Commissions	10,189	9,949
Computer expense	41,671	38,616
Depreciation	12,135	13,619
Dues and subscriptions	14,867	15,985
Equipment rental	2,247	3,212
Insurance	71,473	66,566
Maintenance and repairs	1,823	885
Market data communications	73,026	58,271
Messenger and delivery	908	1,149
Office expense	18,577	13,885
Officer's compensation	300,000	300,000
Payroll taxes	57,693	54,463
Postage	2,799	2,600
Printing	8,945	3,657
Professional fees	33,721	28,734
Registration fees	4,972	5,322
Rent	98,131	94,047
Retirement plan expense	27,500	29,853
Salaries and wages	583,777	623,581
Taxes, other	3,566	2,324
Telephone	11,228	10,587
Temporary help	1,295	650
Travel and entertainment	14,110	14,068
Utilities	5,028	4,751
	<u>\$ 1,544,503</u>	<u>\$ 1,597,439</u>

GARRETT NAGLE & COMPANY, INC.

Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission
As of December 31, 2011 and 2010

	2011	2010
Capital		
Common stock	\$ 25,000	\$ 25,000
Additional paid-in capital	17,428	17,428
Retained Earnings	648,242	770,634
Unrealized holding gains	170,833	269,414
Total Capital	861,503	1,082,476
Nonallowable assets:		
Restricted cash	24,867	24,669
Prepaid expenses	3,090	4,576
Property and equipment, net	35,495	42,247
Total nonallowable assets	63,452	71,492
Net capital before security haircuts	798,051	1,010,984
Security haircuts	105,405	148,241
Net capital	692,646	862,743
Minimum dollar net capital requirement	100,000	100,000
Excess net capital	\$ 592,646	\$ 762,743
Aggregate indebtedness	\$ 475,228	\$ 480,019
Ratio of aggregate indebtedness to net capital	.69 to 1	.56 to 1

GARRETT NAGLE & COMPANY, INC.

Reconciliation of Net Capital Computation
Under Rule 15c3-1 of the Securities and Exchange Commission
As of December 31, 2011

A reconciliation of the net capital computation included herein (page 15) with the unaudited net capital computation included in the FOCUS Report as of December 31, 2011 is as follows:

Unaudited net capital at December 31, 2011	\$ 692,646
Differences	<u>-</u>
Audited net capital at December 31, 2011	<u><u>\$ 692,646</u></u>

SCHNEIDER, SCHNEIDER & ASSOCIATES, P.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

The Stockholder and Board of Directors
Garrett Nagle & Company, Inc.
Woburn, Massachusetts

In planning and performing our audit of the financial statements and supplementary information of Garrett Nagle & Company, Inc. (the "Company") for the years ended December 31, 2011 and 2010, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemption provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The Management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the Stockholder and Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Schneider, Schneider & Associates PC

February 17, 2012

COMPUTATION AND RESERVE REQUIREMENT UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2011 AND 2010

Garrett Nagle & Company, Inc. is exempt from the reserve requirements pursuant to SEC Rule 15c3-1 under paragraph (k) (2) (ii).