

JOE JOLLY & COMPANY, INC.

COMPUTATION OF NET CAPITAL AND AGGREGATE INDEBTEDNESS  
UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF AUGUST 31, 2016

Computation of net capital

Total stockholders' equity qualified for net capital	\$ 8,180,171
Deferred income tax liability	<u>31,166</u>
Total capital	8,211,337

Deduct non-allowable assets:

Petty cash	100
Muni syndicate profit receivables	185,025
Employee advances	105,650
Note receivable—stockholder	990,000
Property and equipment, net	75,231
Investments in oil and gas wells, not readily marketable	25,000
Other assets	<u>650</u>
Net capital before haircuts on securities positions	6,829,681

Haircuts on securities

Federal and municipal government obligations, corporate bonds and money market account	<u>202,106</u>
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Net capital	<u>\$ 6,627,575</u>
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Computation of basic net capital requirement

Minimum net capital required (6-2/3 percent of aggregate indebtedness)	\$ 34,484
Minimum dollar net capital requirement	100,000
Net capital requirement	100,000
Excess net capital	6,527,575
Excess net capital at 1,000 percent (net capital less 10% of aggregate indebtedness)	<u>\$ 6,575,849</u>

Computation of aggregate indebtedness

Total liabilities per statement of financial condition	\$ 786,728
Deduction of deferred tax liability	(31,166)
Deduction of payable secured by bonds	<u>(238,306)</u>
Total aggregate indebtedness	<u>\$ 517,256</u>

Ratio of aggregate indebtedness to net capital	<u>.08 to 1</u>
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