

MORTGAGE OIL CORPORATION
STATEMENTS OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY, INCOME TAX BASIS
JUNE 30, 2016
(Unaudited - Interim Financial Report)

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	859,059
Investments in Marketable Equity Securities		116,801
Prepaid and income taxes receivable		17,068
TOTAL CURRENT ASSETS		<u>992,928</u>

OTHER ASSETS

Investments in Partnerships and Limited Liability Companies - See Schedule		(245,658)
Investment in Privately Held Corporation		51,979
Land in San Bernardino County		1
TOTAL OTHER ASSETS		<u>(193,678)</u>

TOTAL ASSETS	\$	<u>799,250</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

State and Federal Income Taxes Payable	\$	-
Unclaimed Dividends Payable		767
TOTAL CURRENT LIABILITIES		<u>767</u>

STOCKHOLDERS' EQUITY

Capital Stock - par value \$1.00 per share; 100,000 shares authorized, 40,915 shares issued and outstanding		40,915
Retained Earnings		757,568
TOTAL STOCKHOLDERS' EQUITY		<u>798,483</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u>799,250</u>
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MORTGAGE OIL CORPORATION
STATEMENTS OF REVENUES, EXPENSES AND RETAINED EARNINGS, INCOME TAX BASIS
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(Unaudited - Interim Financial Report)

REVENUE	
Partnership Income	\$ 114,717
Interest	114
Dividends	4,746
Other	3,967
TOTAL REVENUE, net	<u>123,544</u>
EXPENSES	
Accounting	14,000
Office and administrative services	30,000
OTC Market Dues	5,000
Other	311
Property taxes	109
TOTAL EXPENSES	<u>49,420</u>
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES) BEFORE PROVISION FOR INCOME TAXES	<u>74,124</u>
PROVISION FOR INCOME TAXES	<u>22,387</u>
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES)	51,737
RETAINED EARNINGS, beginning of year	705,831
Less dividends paid	<u>-</u>
RETAINED EARNINGS, end of period	<u>\$ 757,568</u>
NET INCOME (LOSS) PER SHARE, INCOME TAX BASIS	<u>\$ 1.26</u>
DIVIDENDS PER SHARE PAID	<u>\$ -</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>40,915</u>

MORTGAGE OIL CORPORATION
STATEMENTS OF CASH FLOWS, INCOME TAX BASIS
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(Unaudited - Interim Financial Report)

CASH FLOWS - OPERATING ACTIVITIES

Excess of revenues over expenses (expenses over revenues)	\$ 51,737
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash used in operating activities:	
Net (gain) loss from partnership and limited liability company investments	(114,717)
Decrease (increase) in prepaid and income taxes receivable	(12,394)
Increase (decrease) in income taxes payable	(3,891)
	(79,265)
NET CASH USED IN OPERATING ACTIVITIES	(79,265)

CASH FLOWS - INVESTING ACTIVITIES

Investment in partnerships and limited liability companies	(2,500)
Distributions from partnerships and limited liability companies	373,959
	371,459
NET CASH PROVIDED BY INVESTING ACTIVITIES	371,459

CASH FLOWS - FINANCING ACTIVITIES

Dividends paid to stockholders	-
NET CASH USED IN INVESTING ACTIVITIES	-

NET INCREASE (DECREASE) IN CASH	292,194
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CASH AND CASH EQUIVALENTS, beginning of year	566,865
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CASH AND CASH EQUIVALENTS, end of period	\$ 859,059
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SUPPLEMENTAL DISCLOSURES

Income taxes paid (received) in cash	\$ 38,672
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MORTGAGE OIL CORPORATION
STATEMENT OF LIMITED PARTNERSHIP & LIMITED LIABILITY COMPANY INTERESTS, INCOME TAX BASIS
JUNE 30, 2016
(Unaudited - Interim Financial Report)

	Investment Date	Percentage Interest	Original Investment	Distributions Received 6 Months Ended Jun. 30, 2016	Taxable Income (loss) 6 Months Ended Jun. 30, 2016	Tax Basis Jun. 30, 2016
Nevins/Adams Limited Partnership Interests:						
Centennial - Las Vegas, Nevada	Jul. 2014	1.0000%	137,000	6,850	(15,339)	62,872
Cobble Creek - Salt Lake City, Utah	Sep. 1992	1.5000%	52,500	12,338	5,879	(51,463)
Courtney Downs - Denver, Colorado	Apr. 2012	1.0000%	128,000	9,600	1,214	41,475
Courts at Preston Oaks - Dallas, Texas	May 1994	5.0000%	229,125	37,250	(2,744)	(352,859)
Del Rio - Albuquerque, New Mexico	Jul. 1993	2.5000%	60,600	7,875	4,801	(43,966)
Druid Hills - Atlanta, Georgia	Feb. 2008	2.5000%	287,500	12,938	(1,695)	13,645
Eagle Ranch - Albuquerque, New Mexico	Aug. 2001	3.2000%	33,498	20,240	18,670	(101,289)
Finesterra, Tucson, Arizona	Jul. 2008	2.0976%	215,000	7,525	(393)	35,099
Gardens - Marietta, Georgia	Aug. 1997	3.3472%	264,500	34,702	15,582	(52,098)
Glen Park - Smyrna, Georgia	Aug. 1999	2.5839%	109,000	17,338	3,019	(237,896)
Ironhorse (formerly Thorhill Park), Longmont, CO	May-91	4.0000%	52,000	22,295	(21,509)	(137,671)
La Paz - Albuquerque, New Mexico	Jul. 1992	3.0000%	54,000	11,340	9,009	(89,596)
Lambertson Farms, Denver, Colorado	Oct. 2010	0.5000%	75,000	6,375	1,291	4,620
MacArthur Ridge - Irving, Texas	Oct. 1995	2.2165%	52,000	2,660	1,750	(54,123)
Oasis Vista - Laughlin, Nevada	Sep. 1999	2.2500%	96,650	7,672	3,293	(17,263)
Redstone - Denver, CO	Jul. 2016	0.5000%	95,000	4,750	(666)	84,452
Remington - Killeen, Texas	Oct. 1999	1.0000%	24,500	1,470	855	2,580
Riverwalk - Albuquerque, New Mexico	Jan. 1992	2.0000%	34,400	6,382	5,389	(55,009)
Rolling Oaks - Fairfield, California	Nov. 2011	0.5000%	81,000	4,050	(1,553)	16,308
Saddle Ridge - Tucson, Arizona	Jan. 1993	3.5000%	59,500	9,520	5,480	(37,975)
Sky Harbor - Salt Lake City, Utah	Jul. 1993	1.5000%	51,000	13,005	6,257	(27,594)
Sombra Del Oso - Albuquerque, New Mexico	Jan. 1992	5.0000%	111,000	17,243	15,406	(156,207)
Sonoran Terraces - Tucson, Arizona	Aug. 1996	2.6461%	130,000	17,200	8,241	(35,086)
Tierra Pointe - Albuquerque, New Mexico	Jan. 1992	2.0000%	16,500	3,135	1,957	(13,261)
Towne Square - Chandler, Arizona	Oct. 2000	1.5000%	120,000	15,600	6,635	(126,972)
Vintage - Las Vegas, Nevada	Apr. 2013	1.0000%	130,000	5,850	(4,336)	66,629
Waterford - Phoenix, Arizona	Nov. 2014	0.5000%	51,000	1,785	(5,310)	30,070
Woodcliff - Renton, Washington	Mar. 1996	4.0000%	93,000	35,340	26,258	(51,545)
Total Nevins/Adams Limited Partnership Interests			2,843,273	352,328	87,435	(1,284,119)
Marcus/Adams Limited Liability Company Interests:						
166 Aviator LLC - Camarillo, CA.	Jan. 2000	5.0000%	132,500	5,100	3,814	98,152
16839 East Gale LLC - City of Industry, CA	Sep. 2011	1.7000%	35,000	-	196	33,312
100 Elevar LLC - Oxnard, CA.	Apr. 2003	5.9643%	167,000	-	3,053	128,256
200 Elevar LLC - Oxnard, CA.	Apr. 2003	2.0000%	82,000	2,048	1,980	58,668
300 Elevar LLC - Oxnard, CA.	Apr. 2003	2.4177%	82,200	2,466	1,302	59,447
300 Camarillo Ranch LLC - Oxnard, CA	Dec. 2008	1.8000%	120,000	4,080	2,591	100,884
321 Todd Court LLC - Oxnard, CA	Oct. 2011	1.5000%	42,000	1,218	761	37,467
5566 Arrow Highway LLC - Montclair, CA	Oct. 2010	1.2500%	46,875	1,465	945	41,446
881 Avenida Acaso LLC - Camarillo, CA.	Sep. 2000	1.0633%	32,000	1,174	1,067	24,514
938 Radecki LLC - City of Industry, CA	Apr. 2012	1.0000%	80,000	1,989	1,306	74,622
MA Camarillo LLC - Camarillo, CA	Aug. 2014	1.3000%	76,000	2,091	(780)	66,514
MA Capital Holdings I LLC - Los Angeles, CA.	Feb. 2005	3.3330%	326,000	-	(5,055)	52,006
Total Marcus/Adams Limited Partnership & LLC Interests			1,221,575	21,631	11,179	775,286
Rivenrock Limited Liability Company Interests:						
RRC/FP-1, LLC - Los Angeles, CA	Sep. 2005	17.7000%	199,115	-	(175)	-
Adams Spirent Investors LLC - Los Angeles, CA	Jan. 2013	50.0000%	210,396	-	15,987	243,890
Moffitt Adams Investments LLC - Torrance, CA	Oct. 2013	5.3000%	50,000	-	292	19,286
Total Rivenrock Limited Liability Company Interests			459,511	-	16,104	263,176
Totals			4,524,359	373,959	114,717	(245,658)