MORTGAGE OIL CORPORATION

STATEMENTS OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY, INCOME TAX BASIS

SEPTEMBER 30, 2016

(Unaudited - Interim Financial Report)

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$	832,322
Investments in Marketable Equity Securities		116,801
Prepaid and income taxes receivable		12,562
TOTAL CURRENT ASSETS		961,685
OTHER ASSETS		
Investments in Partnerships and Limited Liability Companies - See Schedule		(249,155)
Investment in Privately Held Corporation		51,979
Deposit-Depository Trust Company		33,236
Land in San Bernardino County		1
TOTAL OTHER ASSETS		(163,939)
TOTAL ASSETS	$	797,746
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
State and Federal Income Taxes Payable	$	1,656
Unclaimed Dividends Payable		767
TOTAL CURRENT LIABILITIES		2,423
STOCKHOLDERS' EQUITY		
Capital Stock - par value $1.00 per share; 100,000 shares authorized, 40,915 shares issued and outstanding		40,915
Retained Earnings		754,408
TOTAL STOCKHOLDERS' EQUITY		795,323
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	797,746

MORTGAGE OIL CORPORATION

STATEMENTS OF REVENUES, EXPENSES AND RETAINED EARNINGS, INCOME TAX BASIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

(Unaudited - Interim Financial Report)

REVENUE		
Partnership Income	$	172,162
Interest		190
Dividends		6,810
Other		5,951
TOTAL REVENUE, net		185,113
EXPENSES		
Accounting		32,000
Directors liability insurance		25,454
Office and administrative services		45,000
OTC Market Dues		5,000
Other		424
Property taxes		109
TOTAL EXPENSES		107,987
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES) BEFORE PROVISION FOR INCOME TAXES		77,126
PROVISION FOR INCOME TAXES		28,549
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES)		48,577
RETAINED EARNINGS, beginning of year		705,831
Less dividends paid		-
RETAINED EARNINGS, end of period	$	754,408
NET INCOME (LOSS) PER SHARE, INCOME TAX BASIS	$	1.19
DIVIDENDS PER SHARE PAID	$	-
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		40,915

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

CASH FLOWS - OPERATING ACTIVITIES		
Excess of revenues over expenses (expenses over revenues)	$	48,577
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		(172,162)
Decrease (increase) in prepaid and income taxes receivable		(7,888)
Increase (decrease) in income taxes payable		(2,235)
NET CASH USED IN OPERATING ACTIVITIES		(133,708)
CASH FLOWS - INVESTING ACTIVITIES		
Investment in partnerships and limited liability companies		(135,500)
Distributions from partnerships and limited liability companies		567,901
NET CASH PROVIDED BY INVESTING ACTIVITIES		432,401
CASH FLOWS - FINANCING ACTIVITIES		
Deposit-Depository Trust Company		(33,236)
Dividends paid to stockholders		-
NET CASH USED IN INVESTING ACTIVITIES		(33,236)
NET INCREASE (DECREASE) IN CASH		265,457
CASH AND CASH EQUIVALENTS, beginning of year		566,865
CASH AND CASH EQUIVALENTS, end of period	$	832,322
SUPPLEMENTAL DISCLOSURES		
Income taxes paid (received) in cash	$	38,672

MORTGAGE OIL CORPORATION

STATEMENT OF LIMITED PARTNERSHIP & LIMITED LIABILITY COMPANY INTERESTS, INCOME TAX BASIS

SEPTEMBER 30, 2016

(Unaudited - Interim Financial Report)

	Investment Date	Percentage Interest	Original Investment	Distributions Received 9 Months Ended Sept. 30, 2016	Taxable Income (loss) 9 Months Ended Sept. 30, 2016	Tax Basis Sept. 30, 2016
Nevins/Adams Limited Partnership Interests:						
Cave Creek - Phoenix, Arizona	Sep. 2016	1.0000%	133,000	-	-	133,000
Centennial - Las Vegas, Nevada	Jul. 2014	1.0000%	137,000	10,275	(23,009)	51,778
Cobble Creek - Salt Lake City, Utah	Sep. 1992	1.5000%	52,500	18,375	8,818	(54,562)
Courtney Downs - Denver, Colorado	Apr. 2012	1.0000%	128,000	14,720	1,820	36,961
Courts at Preston Oaks - Dallas, Texas	May 1994	5.0000%	229,125	57,738	(4,116)	(374,719)
Del Rio - Albuquerque, New Mexico	Jul. 1993	2.5000%	60,600	11,813	7,201	(45,503)
Druid Hills - Atlanta, Georgia	Feb. 2008	2.5000%	287,500	20,125	(2,543)	5,611
Eagle Ranch - Albuquerque, New Mexico	Aug. 2001	3.2000%	33,498	30,360	28,004	(102,074)
Finesterra, Tucson, Arizona	Jul. 2008	2.0976%	215,000	13,975	(590)	28,453
Gardens - Marietta, Georgia	Aug. 1997	3.3472%	264,500	50,718	23,372	(60,323)
Glen Park - Smyrna, Georgia	Aug. 1999	2.5839%	109,000	26,795	4,528	(245,843)
Ironhorse (formerly Thorhill Park), Longmont, CO	May-91	4.0000%	52,000	35,035	(32,264)	(161,166)
La Paz - Albuquerque, New Mexico	Jul. 1992	3.0000%	54,000	16,470	13,514	(90,222)
Lambertson Farms, Denver, Colorado	Oct. 2010	0.5000%	75,000	9,375	1,936	2,265
MacArthur Ridge - Irving, Texas	Oct. 1995	2.2165%	52,000	3,990	2,625	(54,578)
Oasis Vista - Laughlin, Nevada	Sep. 1999	2.2500%	96,650	11,509	4,939	(19,453)
Redstone - Denver, CO	Jul. 2016	0.5000%	95,000	7,125	(999)	81,744
Remington - Killeen, Texas	Oct. 1999	1.0000%	24,500	2,205	1,282	2,272
Riverwalk - Albuquerque, New Mexico	Jan. 1992	2.0000%	34,400	8,798	8,083	(54,730)
Rolling Oaks - Fairfield, California	Nov. 2011	0.5000%	81,000	6,480	(2,330)	13,102
Saddle Ridge - Tucson, Arizona	Jan. 1993	3.5000%	59,500	14,280	8,219	(39,995)
Sky Harbor - Salt Lake City, Utah	Jul. 1993	1.5000%	51,000	19,380	9,385	(30,840)
Sombra Del Oso - Albuquerque, New Mexico	Jan. 1992	5.0000%	111,000	27,256	23,108	(158,517)
Sonoran Terraces - Tucson, Arizona	Aug. 1996	2.6461%	130,000	24,767	12,362	(38,533)
Tierra Pointe - Albuquerque, New Mexico	Jan. 1992	2.0000%	16,500	4,290	2,935	(13,437)
Towne Square - Chandler, Arizona	Oct. 2000	1.5000%	120,000	22,800	9,953	(130,855)
Vintage - Las Vegas, Nevada	Apr. 2013	1.0000%	130,000	8,450	(6,504)	61,861
Waterford - Phoenix, Arizona	Nov. 2014	0.5000%	51,000	2,550	(7,965)	26,650
Woodcliff - Renton, Washington	Mar. 1996	4.0000%	93,000	55,800	39,387	(58,876)
Total Nevins/Adams Limited Partnership Interests			2,976,273	535,454	131,151	(1,290,529)
Marcus/Adams Limited Liability Company Interests:						
166 Aviador LLC - Camarillo, CA.	Jan. 2000	5.0000%	132,500	7,651	5,720	97,507
16839 East Gale LLC - City of Industry, CA	Sep. 2011	1.7000%	35,000	-	293	33,409
100 Elevar LLC - Oxnard, CA.	Apr. 2003	5.9643%	167,000	-	4,580	129,783
200 Elevar LLC - Oxnard, CA.	Apr. 2003	2.0000%	82,000	3,072	2,970	58,634
300 Elevar LLC - Oxnard, CA.	Apr. 2003	2.4177%	82,200	3,699	1,953	58,865
300 Camarillo Ranch LLC - Oxnard, CA	Dec. 2008	1.8000%	120,000	6,120	3,887	100,140
321 Todd Court LLC - Oxnard, CA	Oct. 2011	1.5000%	42,000	1,827	1,142	37,239
5566 Arrow Highway LLC - Montclair, CA	Oct. 2010	1.2500%	46,875	2,197	1,417	41,186
881 Avenida Acaso LLC - Camarillo, CA.	Sep. 2000	1.0633%	32,000	1,761	1,601	24,461
938 Radecki LLC - City of Industry, CA	Apr. 2012	1.0000%	80,000	2,984	1,959	74,280
MA Camarillo LLC - Camarillo, CA	Aug. 2014	1.3000%	76,000	3,136	(1,170)	65,079
MA Capital Holdings I LLC - Los Angeles, CA.	Feb. 2005	3.3330%	326,000	-	(7,582)	49,478
Total Marcus/Adams Limited Partnership & LLC Interests			1,221,575	32,447	16,769	770,060
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	-	23,980	251,883
Moffitt Adams Investments LLC - Torrance, CA	Oct. 2013	5.3000%	50,000	-	438	19,432
Total Rivenrock Limited Liability Company Interests			459,511	-	24,243	271,315
Totals			4,657,359	567,901	172,162	(249,155)