

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**MARIANAS PUBLIC LAND TRUST  
(A Component Unit of the Commonwealth  
of the Northern Mariana Islands)**

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**YEAR ENDED SEPTEMBER 30, 2019  
(with comparative figures for September 30, 2018)**

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**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth  
of the Northern Mariana Islands)

Financial Statements

Year Ended September 30, 2019  
(with comparative figures for September 30, 2018)

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Marianas Public Land Trust

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Marianas Public Land Trust (MPLT), a component unit of the Commonwealth of the Northern Mariana Islands (CNMI), which comprise the statement of financial position as of September 30, 2019, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marianas Public Land Trust as of September 30, 2019, and the changes in its net position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

We draw attention to Note 11, which discloses the economic uncertainties that have arisen as a result of the declared outbreak of a coronavirus (COVID-19) pandemic by the World Health Organization. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marianas Public Land Trust's basic financial statements. The Combining Statement of Net Position, of Revenues, Expenses and Changes in Net Position and of Cash Flows (pages 42 through 44), the Schedules of Investments - General Fund and Park Fund (pages 45 through 56) and the Schedule of Administrative Expenses Compared to Budget (page 57) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining Statement of Net Position, of Revenues, Expenses and Changes in Net Position and of Cash Flows, the Schedules of Investments - General Fund and Park Fund and the Schedule of Administrative Expenses Compared to Budget are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Net Position, of Revenues, Expenses and Changes in Net Position and of Cash Flows, the Schedules of Investments - General Fund and Park Fund and the Schedule of Administrative Expenses Compared to Budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the MPLT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MPLT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MPLT's internal control over financial reporting and compliance.

The financial statements of Marianas Public Land Trust as of and for the year ended September 30, 2018 were audited by Deloitte & Touche LLC, whose report dated July 23, 2019, expressed an unmodified opinion on those statements.

  
Saipan, MP  
November 20, 2020



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Marianas Public Land Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marianas Public Land Trust (MPLT), a component unit of the Commonwealth of the Northern Mariana Islands, which comprise the statement of net position as of September 30, 2019, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MPLT’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MPLT’s internal control. Accordingly, we do not express an opinion on the effectiveness of MPLT’s internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MPLT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Saipan, MP  
November 20, 2020



# MARIANAS PUBLIC LAND TRUST

## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

As management of the Marianas Public Land Trust (MPLT), we offer readers of MPLT's financial statements this narrative overview and analysis of the financial activities of MPLT for the year ended September 30, 2019. This Management's Discussion and Analysis should be read in conjunction with the audited financial statements.

### **Implementing Authority**

The origins of MPLT are found in both the Constitution of the Commonwealth of the Northern Mariana Islands and Public Law (P.L.) 94-241, Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America. The Covenant contains key provisions, which are fundamental to MPLT's development. Article VIII, Section 802 requires that certain lands be made available to the United States Government by lease in order for it to carry out its defense responsibilities. These lands consist of 7,203 hectares on Tinian, 72 hectares at Tanapag Harbor in Saipan, and the entire island of Farallon de Medinilla, comprising of approximately 83 hectares.

Article XI, Section 6 of the Constitution as amended, provides for the establishment of MPLT upon the effective date of the Constitution. Some excerpts pertaining to the operating requirements of MPLT are:

- "... The number of trustees appointed by the Governor with the advice and consent of the Senate shall be ...[five]. Three shall be from Saipan, one from Rota and one from Tinian. At least one trustee shall be a woman and at least one trustee shall be of Carolinian descent. The trustees shall serve for a term of six years ... [shall] be staggered."
- "... The trustees shall make reasonable, careful and prudent investments."
- "... The trustees shall ...[use] the interest on the amount received for the lease of property at Tanapag Harbor for the development and maintenance of a memorial park. The trustees shall transfer to the general revenues of the Commonwealth the remaining interest accrued ...[except] that the trustees may retain the amount necessary to meet reasonable expenses of administration."
- "... The trustees shall make an annual written report to the people of the Commonwealth accounting for the revenues received and expenses incurred by the Trust and describing the investments and other transactions authorized by the trustees."
- "... The trustees shall be held to strict standards of fiduciary care."



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Management's Discussion and Analysis, continued

**Implementing Authority, continued**

Article VIII, Section 803 of the Covenant describes the lease terms for the above properties. The Commonwealth will lease the property to the United States for 50 years with the United States having the option of renewing the lease for all or part of the property for an additional term of 50 years. The United States will pay the Commonwealth, in full settlement of the two 50 year lease terms, the total sum of \$19,520,600 determined as follows:

- Tinian Island property - \$17.5 million;
- Saipan Island property located at Tanapag Harbor - \$2 million;
- Farallon de Medinilla Island - \$20,600.

The above sum will be adjusted by a percentage, which will be the same as the percentage change in the United States Department of Commerce composite price index from the date of signing the Covenant. Additional terms and conditions of this lease are found in the Technical Agreement Regarding Use of Land to Be Leased by the United States, which was executed simultaneously with the Covenant.

This was the initial source of the funding to MPLT from the Marianas Public Land Corporation (MPLC), i.e., \$23,942,602 allocated to the MPLT General Fund and \$2,000,000 allocated to the MPLT Park Fund, was received as follows:

Initial Distributions Received From MPLC		
<u>Date</u>		<u>Amount</u>
July 19, 1983	\$	5,000,000
January 20, 1984		100,000
February 17, 1984		14,080,046
April 13, 1984		5,958,700
August 27, 1984		<u>803,856</u>
Total	\$	<u><u>25,942,602</u></u>

Subsequently, the Marianas Public Land Corporation and its successors, including the Department of Public Lands, made additional distributions, which were treated as General Fund principal contributions, as follows:

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Management's Discussion and Analysis, continued

Distributions Received From MPLC

<u>Date</u>	<u>Amount</u>
May 11, 1991	\$ 500,000
December 20, 1991	500,000
September 19, 2007	1,250,000
August 4, 2008	3,500,000
November 23, 2011	1,000,000
December 31, 2013	307,109
June 6, 2014	996,743
December 30, 2014	5,000,000
April 11, 2016	800,334
February 1, 2018	866,339
September 17, 2018	1,501,174
May 3, 2019	3,000,000
May 6, 2019	345,700
May 15, 2019	2,414,477
August 19, 2019	<u>567,508</u>
Total	<u>\$ 22,549,384</u>

The total principal contributions received from the leasing of public land distributed to MPLT from MPLC or its successor entities is \$48,491,986.

**Constitutional Mandate**

The Trustees are mandated to make prudent and reasonable investments derived from public land leases and transfer the interest earned, less reasonable expenses of administration, to the General Revenues of the Commonwealth for appropriation by the Legislature. The Trustees continuously monitor its investment portfolio to ensure an adequate risk-adjusted rate of return is achieved.

**Financial Highlights**

The following financial highlights are taken from the audited financial statements for the years ended September 30, 2019 and 2018.

- The assets of MPLT increased in 2019 by \$2,398,647 over the amount at 2018. This was due primarily to the increase of the fair market value of the investments.
- Total liabilities for 2019 decreased by \$69 from 2018 due primarily to net changes to amounts due to brokers, accounts payable and accrued expenses.

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**Management’s Discussion and Analysis, continued**

- The above changes resulted in an increase of \$2,398,716 in total fund balance for 2019.
- Total revenues of MPLT are a combination of (1) gains (losses) attributable to the valuation of investments plus (2) income earned on such investments and (3) distributions received from DPL. Total operating revenues for 2019 and 2018 were \$5,990,526, \$12,330,886, respectively.
- The total performance of MPLT for 2019 and 2018 was 5.7% and 5.8%, respectively.
- The overall administrative costs increased in 2019 and 2018, \$101,145 or 9%, and \$36,139 or 3%, respectively.

**MPLT General Fund Operations**

The investment income (excluding net increase in fair value of investment and contributions from DPL) for 2019 and 2018 was \$3,364,007 and \$2,844,386, respectively.

Distributions to the CNMI General Fund paid for 2019 and 2018 were \$2,265,081 and \$1,840,206, respectively. The cumulative amount distributed to the CNMI General Fund since inception in 1983 has been \$63,555,853. This has occurred while growing the principal fund by \$48,689,608 for the same time-period. The General Fund’s annual return for 2019 and 2018 was 5.8%, 5.9%, respectively.

The loan made to the Northern Marianas Housing Corporation (NMHC) became non-performing when NMHC defaulted in 2007 when P. L. 10-29 and 12-27 were repealed per P.L. 15-48. MPLT negotiated a settlement agreement wherein \$2,025,000 was paid and the related loan portfolio was transferred to MPLT. MPLT is currently managing these loans and attempting to recover its \$8.9 million original principal. Due to collection uncertainty for this investment, a write-down of value amounting to \$2,274,000 was recognized by MPLT as of September 30, 2019 (net current value is \$2,980,456).

**General Fund Condensed Financial Statements Summaries**

**STATEMENTS OF NET POSITION**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current assets	\$ 4,256,694	10,804,752
Other assets, restricted	78,799,734	76,733,857
Notes receivable - noncurrent portion	11,956,684	5,350,720
Capital assets, net	<u>271,874</u>	<u>304,807</u>
 Total	 <u>\$ 95,284,986</u>	 <u>93,194,136</u>

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Management's Discussion and Analysis, continued

**General Fund Condensed Financial Statements Summaries, continued**

**STATEMENTS OF NET POSITION - CONTINUED**

	<u>2019</u>	<u>2018</u>
<u>Liabilities and Net Position</u>		
Total liabilities	\$ 103,392	129,230
Net position:		
Net investment in capital assets	271,874	304,807
Restricted	<u>94,909,720</u>	<u>92,760,099</u>
Net position	<u>95,181,594</u>	<u>93,064,906</u>
 Total	 <u>\$ 95,284,986</u>	 <u>93,194,136</u>

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>2019</u>	<u>2018</u>
Total operating revenues	\$ 5,480,695	11,811,933
Total operating expenses	(1,098,926)	(1,004,180)
Other nonoperating expenses	<u>(2,265,081)</u>	<u>(1,840,206)</u>
Change in net position	2,116,688	8,967,547
Net position at beginning of year	<u>93,064,906</u>	<u>84,097,359</u>
Net position at end of year	<u>\$ 95,181,594</u>	<u>93,064,906</u>

**STATEMENTS OF CASH FLOWS**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities	\$ 8,510,480	3,646,932
Cash flows from capital and related financing activities	(3,976)	79,132
Cash flows from investing activities	<u>(10,216,233)</u>	<u>(2,776,902)</u>
Net increase (decrease) in cash and cash equivalents	(1,709,729)	949,162
Cash and cash equivalents at beginning of year	<u>3,347,034</u>	<u>2,397,872</u>
Cash and cash equivalents at end of year	<u>\$ 1,637,305</u>	<u>3,347,034</u>

The statements above are inclusive of amounts due from the Park Fund of \$13,379 that are eliminated in the accompanying financial statements.

**Marianas Public Land Trust**  
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**Management’s Discussion and Analysis, continued**

**Capital Assets**

At September 30, 2019 and 2018, MPLT had \$271,874 and \$304,807, respectively, in capital assets, net of accumulated depreciation where applicable, including furniture, fixtures and equipment, vehicles and land, which represent a net decreases in 2019 of \$32,933 and in 2018 of \$18,240. See note 4 to the financial statements for more information on MPLT’s capital assets.

**MPLT Park Fund Operations**

The MPLT Park Fund is part of the overall trust fund but is separately managed and accounted for due to its funding source and a different beneficiary as compared to the MPLT General Fund. The Park Fund’s annual return for 2019 and 2018 was 5.1% and 5.5%, respectively. As stated previously, the Park Fund received its initial principal funding from the lease proceeds of a portion of the Tinian, Tanapag Harbor, Farallon de Medinilla land lease revenues. The \$2,000,000 for the Tanapag Harbor in Saipan was dedicated to the formation of the American Memorial Park. The income on this principal contribution can only be used for the maintenance and development of the American Memorial Park (AMP). Accordingly, this initial principal contribution has been prudently managed since 1983 and has grown to \$9,915,669.

As part of a plan to make some of the principal available for development of the AMP, MPLT entered into a loan arrangement with the Commonwealth Development Authority on November 30, 2001 to lend them \$2,000,000 to be “matched” with CIP funding grants in order to make the following additions and upgrades to the Park:

1. American Memorial Park Visitor/Cultural Center	\$1,305,200
2. American Memorial Park Marianas Memorial Garden	514,000
3. Remodel and Upgrade Amphitheater	1,310,800
4. Exhibit Design and Construction of Visitor Center	<u>870,000</u>
 Total	 <u>\$4,000,000</u>

This loan has been repaid from the income realized on the Park Fund investments. As income was received, the principal portion of the payment was taken from the income stream and transferred to principal and re-invested. The term of the loan was fifteen years at an annual rate of 6.5%, but is subject to the net operating income available each year. It is through this mechanism that MPLT has been able to benefit the Park and sustain new development.

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Management's Discussion and Analysis, continued

**Park Fund Condensed Financial Statements Summaries**

**STATEMENTS OF NET POSITION**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current assets	\$ 217,771	322,552
Other assets, restricted	<u>9,749,226</u>	<u>9,343,939</u>
Total	<u>\$ 9,966,997</u>	<u>9,666,491</u>
<u>Liabilities and Net Position</u>		
Total liabilities	<u>\$ 51,328</u>	<u>32,850</u>
Net position:		
Restricted	<u>9,915,669</u>	<u>9,633,641</u>
Net position	<u>9,915,669</u>	<u>9,633,641</u>
Total	<u>\$ 9,966,997</u>	<u>9,666,491</u>

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>2019</u>	<u>2018</u>
Total operating revenues	\$ 509,831	518,953
Total operating expenses	(112,309)	(105,910)
Other nonoperating expenses	<u>(115,494)</u>	<u>(198,825)</u>
Change in net position	282,028	214,218
Net position at beginning of year	<u>9,633,641</u>	<u>9,419,423</u>
Net position at end of year	<u>\$ 9,915,669</u>	<u>9,633,641</u>

**STATEMENTS OF CASH FLOWS**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities	\$ 244,306	183,933
Cash flows from investing activities	<u>(264,252)</u>	<u>(164,500)</u>
Net increase (decrease) in cash and cash equivalents	(19,946)	19,433
Cash and cash equivalents at beginning of year	<u>175,592</u>	<u>156,159</u>
Cash and cash equivalents at end of year	<u>\$ 155,646</u>	<u>175,592</u>

**Mandates**

It is the intention of the Trustees to continue to provide financial assistance to the American Memorial Park in accordance with the terms of the Constitution and Covenant. It has been through MPLT's stewardship of the Park Fund assets that the developments in the AMP have occurred. The Trustees plan to continue this past record of achievement and use it as a basis for further enhancements of the facility, which benefits the Commonwealth as a whole.

**Marianas Public Land Trust**  
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**Management's Discussion and Analysis, continued**

**Economic Outlook**

2019 economy was comparable to 2018, and MPLT continued to add value to the portfolio. The outlook for 2020 initially appeared to be strong, but the advent of the COVID pandemic has set economic progress back causing many uncertainties and high volatility. But even with these major issues, MPLT returns exceeded the return for 2019. The Trust has a long term time horizon. Accordingly, the Trust is continuously reviewing options to its current investment allocation in order to manage its risk-adjusted yields. The Trust may make changes to its asset allocation, but the basic investment approach will remain the same.

**Contacting the MPLT's Financial Management**

This report is designed to provide the branches of the Commonwealth Government and the public at large with a general overview of MPLT's finances and to show MPLT's accountability for the money it manages. The Management's Discussion and Analysis for the year ended September 30, 2019 is set forth in the report on the audit of MPLT's financial statements, which is dated November 20, 2020. The Discussion and Analysis explains the major factors and context relating to the 2019 financial statements. If you have questions about this report or the 2018 report or need additional financial information, contact the MPLT office, P.O. Box 501089, Saipan, MP 96950 or phone at (670) 322-4401 or email [mplt@mplt.gov.mp](mailto:mplt@mplt.gov.mp).

**MARIANAS PUBLIC LAND TRUST**  
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Statement of Net Position

September 30, 2019  
(with comparative figures for September 30, 2018)

<b><u>ASSETS</u></b>		
	2019	2018
Current assets:		
Cash and cash equivalents	\$ 1,792,951	3,522,626
Receivables:		
Department of Public Lands, net	-	6,327,685
Notes, current portion	2,251,296	866,421
Accrued income	307,434	296,951
Other	61,796	64,645
Due from brokers	40,095	18,498
Prepaid expense	7,514	9,808
Total current assets	4,461,086	11,106,634
Other assets:		
Investments	88,548,960	86,077,796
Total other assets	88,548,960	86,077,796
Noncurrent assets:		
Notes receivable, net of current portion and allowance for loan losses	11,956,684	5,350,720
Capital assets, net	271,874	304,807
Total noncurrent assets	12,228,558	5,655,527
Total assets	\$ 105,238,604	102,839,957
<b><u>LIABILITIES AND NET POSITION</u></b>		
Current liabilities:		
Accounts payable	34,882	61,000
Due to brokers	83,903	76,560
Accrued expenses	22,556	3,850
Total liabilities	141,341	141,410
Commitment and contingency		
Net position:		
Net investment in capital assets	271,874	304,807
Restricted	104,825,389	102,393,740
Total net position	105,097,263	102,698,547
Total liabilities and net position	\$ 105,238,604	102,839,957

See accompanying notes to financial statements.



## MARIANAS PUBLIC LAND TRUST

(A Component Unit of the Commonwealth of the Northern Mariana Islands)

### Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2019  
(with comparative figures for September 30, 2018)

	2019	2018
Operating revenues:		
Department of Public Lands	\$ -	7,194,024
Investment income, net	3,395,132	2,674,734
Net increase in fair value of investments	2,257,723	1,987,742
Interest income from notes receivable	334,942	471,985
Other	2,729	2,401
Total operating revenues	<u>5,990,526</u>	<u>12,330,886</u>
Operating expenses:		
Money manager fees	337,859	331,638
Money management administration	203,947	195,410
Salaries and benefits	165,535	123,488
Consultancy fees	142,828	139,861
Contract services	72,000	71,583
Trustees' expenses	69,062	40,596
Office expense	64,427	60,613
Professional fees	63,573	37,841
Depreciation	36,909	38,508
Loan administration fee	30,078	32,503
Audit	15,000	15,000
Rent and utilities	9,117	11,789
Repairs and maintenance	900	1,260
Annual report preparation	-	10,000
Total operating expenses	<u>1,211,235</u>	<u>1,110,090</u>
Operating income	<u>4,779,291</u>	<u>11,220,796</u>
Other nonoperating expenses:		
Net distribution to the CNMI General Fund/ American Memorial Park	<u>(2,380,575)</u>	<u>(2,039,031)</u>
Total nonoperating expenses	<u>(2,380,575)</u>	<u>(2,039,031)</u>
Change in net position	2,398,716	9,181,765
Net position at beginning of year	<u>102,698,547</u>	<u>93,516,782</u>
Net position at end of year	<u>\$ 105,097,263</u>	<u>102,698,547</u>

See accompanying notes to financial statements.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statement of Cash Flows  
September 30, 2019  
(with comparative figures for September 30, 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from operations	\$ 9,936,472	5,198,431
Cash payments to suppliers for goods and services:	<u>(1,181,686)</u>	<u>(1,367,566)</u>
Net cash provided by operating activities	<u>8,754,786</u>	<u>3,830,865</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(3,976)	(20,268)
Write-off of foreclosed properties	<u>-</u>	<u>99,400</u>
Net cash provided by (used for) financing activities	<u>(3,976)</u>	<u>79,132</u>
Cash flow from investing activities:		
Net decrease (increase) in notes receivable	(10,267,044)	484,486
Net increase in investments	<u>(213,441)</u>	<u>(3,425,888)</u>
Net cash used for investing activities	<u>(10,480,485)</u>	<u>(2,941,402)</u>
Net increase (decrease) in cash and cash equivalents	(1,729,675)	968,595
Cash and cash equivalents at beginning of year	<u>3,522,626</u>	<u>2,554,031</u>
Cash and cash equivalents at end of year	<u>\$ 1,792,951</u>	<u>3,522,626</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,779,291	11,220,796
Adjustments to reconcile operating income to net cash provided by operating activities:		
Net increase in fair value of investments	(2,257,723)	(1,987,742)
Noncash interest income	(104,370)	(201,627)
Depreciation	36,909	38,508
(Increase) decrease in assets:		
Receivable - Department of Public Lands	6,327,685	(4,826,511)
Receivable - accrued income	(10,483)	(85,521)
Other receivable	2,849	(50,630)
Due from brokers	(21,597)	18,064
Prepaid expense	2,294	(3,920)
Increase (decrease) in liabilities:		
Accounts payable	(26,118)	5,491
Payable to brokers	7,343	(292,755)
Accrued expenses	<u>18,706</u>	<u>(3,288)</u>
Net cash provided by operating activities	<u>\$ 8,754,786</u>	<u>3,830,865</u>
Supplemental schedule of noncash operating, financing and investing activities		
MPLT applied \$2,265,081 and \$1,840,206 of the required income distribution to the CNMI General Fund for the years ended September 30, 2019 and 2018, respectively, as a repayment of the CNMI's note receivable and related interest		
Decrease in notes receivable	\$ (2,162,961)	(1,653,665)
Increase in interest expense	(102,120)	(186,541)
Increase in net contribution	<u>2,265,081</u>	<u>1,840,206</u>
	<u>\$ -</u>	<u>-</u>
MPLT applied \$115,494 and \$198,825 of the required income distribution to the American Memorial Park for for the years ended September 30, 2019 and 2018, respectively, as a repayment of CDA's note receivable and related interest		
Decrease in notes receivable	\$ (113,244)	(183,739)
Increase in interest expense	(2,250)	(15,086)
Increase in net contribution	<u>115,494</u>	<u>198,825</u>
	<u>\$ -</u>	<u>-</u>

See accompanying notes to financial statements.

## MARIANAS PUBLIC LAND TRUST

(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements

September 30, 2019

(with comparative figures for December 31, 2018)

### (1) Organization and Purpose

The Marianas Public Land Trust (MPLT), a component unit of the Commonwealth of the Northern Mariana Islands (CNMI), was formed on January 9, 1978, pursuant to the ratification and adoption of the Constitution of the CNMI, Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (the Covenant), and Technical Agreement Regarding Use of Land to be Leased by the United States in the Northern Mariana Islands.

MPLT did not become operational until May 17, 1983, when its Trustees were appointed by the Governor with confirmation by the Senate.

The purpose of MPLT is to manage all monies received by it from the CNMI Department of Public Lands (DPL) for the use of public lands. DPL has the responsibility to manage the public lands and distribute to MPLT all revenues net of reasonable expenses of administration.

MPLT's responsibility is to make reasonable, careful and prudent investments with respect to monies received from DPL. The Trustees have taken the position that their duty to the beneficiaries is not only to provide income to the general fund of the CNMI but also to preserve the principal of MPLT. As such, MPLT is currently allocating capital gains and losses on equity investments to principal fund balance. These capital gains and losses are not considered to be available for distribution to the general fund of the CNMI. Other forms of income on investments, after deduction of amounts necessary to meet reasonable administrative expenses, are distributed to the general fund of the CNMI.

MPLT is also responsible for carrying out the intention of Article VIII, Section 803(e) of the Covenant, by establishing a separate trust fund for the development and maintenance of an American Memorial Park. The Trustees are allocating capital gains and losses on equity investments of this trust fund to the principal of the trust fund. Other forms of income on investments, after deduction of amounts necessary to meet reasonable administrative expenses, are to be used for the development and maintenance of the American Memorial Park.

### (2) Summary of Significant Accounting Policies

The accounting policies of MPLT conform to accounting principles generally accepted in the United States of America, as applicable to governmental entities, specifically trust funds. MPLT utilizes the flow of economic resources measurement focus. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**MARIANAS PUBLIC LAND TRUST**  
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Notes to Financial Statements  
September 30, 2019  
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(2) Summary of Significant Accounting Policies, Continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and 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. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of MPLT for the years ended September 30, 2019 and 2018 have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, which requires the use of management estimates. Under this method, revenues are recorded when earned and expenses recorded at the time liabilities are incurred.

Concentrations of Credit Risk

Financial instruments which potentially subject MPLT to concentrations of credit risk consist principally of cash demand deposits, investments, and notes receivable to CNMI government agencies.

At September 30, 2019 and 2018, MPLT has cash deposits and investments in bank accounts that exceed federal depository insurance limits. MPLT has not experienced any losses in such accounts.

Cash and Cash Equivalents

For purposes of the statement of net position and cash flows, MPLT considers all cash held in demand accounts with initial maturities of ninety days or less to be cash and cash equivalents. At September 30, 2019 and 2018, total cash and cash equivalents was \$1,792,951 and \$3,522,626, respectively, and the corresponding bank balances were \$331,983 and \$325,605, respectively, which were maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance.

**MARIANAS PUBLIC LAND TRUST**  
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Notes to Financial Statements  
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(2) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, continued

At September 30, 2019 and 2018, unrestricted cash and cash equivalents consisted of the following:

	<u>2019</u>	<u>2018</u>
Custodian money market sweep deposits	\$ 1,448,428	\$ 3,183,672
Deposits with federally insured banks	344,523	325,605
Uninsured deposits	<u>-</u>	<u>13,349</u>
	<u>\$ 1,792,951</u>	<u>\$ 3,522,626</u>

As of September 30, 2019 and 2018, custodian money market sweep deposits of \$1,448,428 and \$3,183,672, respectively, are held and administered by an investment manager subject to Securities Investor Protection Corporation (SIPC) insurance up to \$250,000 with coverage in excess of SIPC provided by a supplemental insurance policy through certain underwriters with a per client aggregate limit of \$1.9 million.

CNMI law does not require component unit funds to be collateralized and thus MPLT's funds are uncollateralized. Accordingly, the deposits are exposed to custodial credit risk.

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to the transaction, MPLT will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt instruments.

Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for MPLT. As of September 30, 2019 and 2018, MPLT's investment in U.S. Treasury government bonds constituted 6% and 13%, respectively, of its total investments.

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

Marketable securities held for investment purposes are stated at fair value using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the date as of which the fair value of an asset or liability is determined. Fixed income securities are reported at amortized cost with discounts or premiums amortized using the effective interest method subject to adjustment for market declines judged to be other than temporary.

MPLT values its investments at fair value in accordance with GASB Statement 72. MPLT's investments as of September 30, 2019 and 2018 (with combining information as of September 30, 2019) are as follows:

	<u>General Fund</u>	<u>Park Fund</u>	<u>2019</u>	<u>2018</u>
Mutual funds	\$ 7,937,831	\$ 934,081	\$ 8,871,912	\$ 8,793,760
Equities:				
Domestic common stock	21,853,169	2,630,139	24,483,308	24,153,442
International common stock	4,121,415	489,039	4,610,454	4,800,326
Infrastructure	5,620,032	892,423	6,512,455	8,948,472
Real estate investment trusts	10,557,525	1,225,284	11,782,809	9,778,134
Fixed income securities:				
Mortgage and asset backed securities	4,322,106	566,628	4,888,734	3,949,191
Government bonds	4,860,859	652,558	5,513,417	11,403,319
Corporate bonds	<u>19,526,797</u>	<u>2,359,074</u>	<u>21,885,871</u>	<u>14,251,152</u>
	<u>\$ 78,799,734</u>	<u>\$ 9,749,226</u>	<u>\$ 88,548,960</u>	<u>\$ 86,077,796</u>

GASB Statement No. 40 requires entities to provide information about the credit risk associated with their investments by disclosing the credit quality ratings. The following is a listing of MPLT's fixed income securities at September 30, 2019 and 2018.

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

Investment type	Fair Value	Investment Maturities (In Years)				Credit Rating
		Less than 1	1-5	6-10	More than 10	
Mortgage and asset backed securities	\$ 4,888,734	74,938	3,521,633	-	1,292,163	AA+
Government bonds	5,513,417	-	-	-	5,513,417	AA+
Corporate bonds	90,602	90,602	-	-	-	A+
Corporate bonds	2,980,214	-	2,980,214	-	-	A
Corporate bonds	6,634,491	-	6,634,491	-	-	A-
Corporate bonds	2,709,822	-	2,709,822	-	-	A+
Corporate bonds	742,086	-	742,086	-	-	AA+
Corporate bonds	2,610,099	-	2,610,099	-	-	BBB+
Corporate bonds	383,712	-	-	383,712	-	A-
Corporate bonds	673,979	-	-	673,979	-	BBB+
Corporate bonds	456,347	93,405	362,942	-	-	B-
Corporate bonds	768,970	-	768,970	-	-	B
Corporate bonds	438,768	-	438,768	-	-	B+
Corporate bonds	445,221	-	359,651	85,570	-	BB
Corporate bonds	1,111,328	-	619,863	491,465	-	BB-
Corporate bonds	660,090	-	368,879	291,211	-	BB+
Corporate bonds	82,003	-	82,003	-	-	CCC+
Corporate bonds	186,966	-	-	186,966	-	B
Corporate bonds	544,225	-	-	544,225	-	B-
Corporate bonds	366,948	-	-	366,948	-	B+
<b>Total</b>	<b>\$ 32,288,022</b>	<b>258,945</b>	<b>22,199,421</b>	<b>3,024,076</b>	<b>6,805,580</b>	
Percentage of Portfolio	<u>100%</u>	<u>1%</u>	<u>69%</u>	<u>9%</u>	<u>21%</u>	

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Notes to Financial Statements  
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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

Investment type	Fair Value	2018				Credit Rating
		Investment Maturities (In Years)				
		Less than 1	1-5	6-10	More than 10	
Mortgage and asset backed securities	\$ 3,949,191	1,894,886	-	1,280,416	773,889	AA+
Government bonds	11,403,319	-	1,359,550	5,372,219	4,671,550	AA+
Corporate bonds	510,857	510,857	-	-	-	AA+
Corporate bonds	1,901,018	45,137	1,855,881	-	-	A+
Corporate bonds	2,038,267	-	1,314,096	724,171	-	A
Corporate bonds	3,851,347	-	3,219,040	632,307	-	A-
Corporate bonds	1,277,825	-	-	1,277,825	-	BBB+
Corporate bonds	42,313	-	42,313	-	-	BBB-
Corporate bonds	624,599	-	350,502	274,097	-	BB+
Corporate bonds	691,421	-	340,271	351,150	-	BB-
Corporate bonds	529,870	-	291,245	238,625	-	BB
Corporate bonds	1,025,548	-	490,741	534,807	-	B+
Corporate bonds	624,855	-	534,937	89,918	-	B-
Corporate bonds	967,389	-	448,669	518,720	-	B
Corporate bonds	165,843	-	165,843	-	-	CCC+
Total	\$ 29,603,662	2,450,880	10,413,088	11,294,255	5,445,439	
Percentage of Portfolio	<u>100%</u>	<u>8%</u>	<u>35%</u>	<u>38%</u>	<u>19%</u>	

MPLT categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. MPLT has the following fair value measurements:



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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

		Fair Value Measurement Using		
Investments by fair value level	2019	Level 1	Level 2	Level 3
Debt securities:				
Mortgage and asset backed securities	\$ 4,888,734	-	4,888,734	-
Government bonds	5,513,417	5,513,417	-	-
Corporate bonds	<u>21,885,871</u>	<u>-</u>	<u>21,885,871</u>	<u>-</u>
Total debt securities	<u>32,288,022</u>	<u>5,513,417</u>	<u>26,774,605</u>	<u>-</u>
Equity securities:				
Domestic common stock	24,483,308	24,483,308	-	-
International common stock	4,610,454	4,610,454	-	-
Infrastructure	6,512,455	6,512,455	-	-
Real estate investment trusts	<u>11,782,809</u>	<u>11,782,809</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>47,389,026</u>	<u>47,389,026</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 79,677,048</u>	<u>52,902,443</u>	<u>26,774,605</u>	<u>-</u>
Investments measured at net asset value				
Mutual funds	<u>\$ 8,871,912</u>			
		Fair Value Measurement Using		
Investments by fair value level	2018	Level 1	Level 2	Level 3
Debt securities:				
Mortgage and asset backed securities	\$ 3,949,191	-	3,949,191	-
Government bonds	11,403,319	11,403,319	-	-
Corporate bonds	<u>14,251,152</u>	<u>-</u>	<u>14,251,152</u>	<u>-</u>
Total debt securities	<u>29,603,662</u>	<u>11,403,319</u>	<u>18,200,343</u>	<u>-</u>
Equity securities:				
Domestic common stock	24,153,442	24,153,442	-	-
International common stock	4,800,326	4,800,326	-	-
Infrastructure	8,948,472	8,948,472	-	-
Real estate investment trusts	<u>9,778,134</u>	<u>9,778,134</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>47,680,374</u>	<u>47,680,374</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 77,284,036</u>	<u>59,083,693</u>	<u>18,200,343</u>	<u>-</u>
Investments measured at net asset value				
Mutual funds	<u>\$ 8,793,760</u>			

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

MPLT has selected a custodian for both funds who shall maintain custody of all cash, securities and other assets of MPLT and shall credit interest and dividends on said securities and credit principal paid on called or matured securities of MPLT. The custodian shall provide, on a timely basis, a monthly statement of all assets, to include an accounting of all activity during that month. The investment held and administered by the investment manager is subject to SIPC coverage of up to \$500,000 (inclusive of the \$250,000 cash balance protection coverage) and supplemental insurance for amounts in excess of SIPC coverage through certain underwriters, subject to an aggregate firm-wide cap of \$1 billion with no per client sublimit.

The Trustees may engage the services of an investment consultant after a competitive search process. The investment consultant chosen shall demonstrate professional experience of at least ten (10) years with exclusive focus on Institutional Management Consulting.

When evaluating potential Investment Management Consulting Firms, the Trustees will consider at a minimum the following criteria:

- Must be a Registered Investment Advisor with exclusive focus on providing objective investment management consulting at an institutional level, having the support of a staff and/or organization, focused and experienced in consulting only.
- The candidate should be objective, free of conflict of interest and free to secure services from leading third-party providers that will best suit the interest of MPLT.
- Firms must demonstrate experience in the breadth and depth of its professional staff.
- Ability to provide unbiased fiduciary and financial advice to public trusts.
- Knowledge of legislative, operational and legal aspects of the local public trusts.
- Ownership or ready access to relevant and comprehensive performance databases with proven and verifiable process for the institutional client.
- Ability to provide quantitative analysis of manager and total fund performance. In particular, attribution analysis to maintain the interests of the management styles and strategic asset allocation.
- Ability to provide on-going training.

## MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements

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### (2) Summary of Significant Accounting Policies, Continued

#### Investments, continued

- Firms must be recognized as having substantial experience in the institutional level investment management consulting field. Firms offering consulting as incidental to their securities business may not be considered.
- May not be an investment manager with discretion over MPLT assets.

The Trustees have determined that the following investment policy will govern the investment of assets of MPLT:

- (i) The Trustees, with the assistance of the investment consultant, will select appropriate investment managers to manage MPLT assets. Investment managers must meet the following minimum criteria:
1. Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940 or equivalent as might be determined appropriate by the Trustees.
  2. Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, reported gross of fees.
  3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of comparable investment style.
  4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
  5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
  6. Selected firms shall have no outstanding legal judgments or past judgments that may reflect negatively upon the firm.
- (ii) Every money manager selected to manage MPLT assets must adhere to the following guidelines :

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

1. The following securities and transactions are not authorized unless receiving prior Trustees approval:
  - Letter stock and other unregistered securities; commodities or other commodity contracts; and short sales or margin transactions.
  - Securities lending; pledging or hypothecating securities.
  - Investments in the equity securities of any company with a record of less than three years of continuous operation (including the operation of any predecessor) and investments for the purpose of exercising control of management are all restricted.
2. Domestic Equities:
  - Equity holdings in any one company should not exceed more than 10% of the market value of MPLT's equity portfolio.
  - Investments in any one sector should not be excessive.
  - The manager may emphasize quality in security selection of the specific style hired to manage and may avoid risk of large loss through diversification within its mandated style.
  - The managers may have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the managers will be evaluated against their peers on the performance of the total funds under their direct management.
  - Holdings of individual securities may be large enough (round lots) for easy liquidation.
3. Domestic Fixed Income:
  - All fixed-income securities held in the portfolio may have a nationally recognized credit quality rating of no less than "BBB" from Moody's, Standard & Poor's and/or Fitch's. U.S. Treasury and U.S. government agencies, which are unrated securities, are qualified for inclusion in the portfolio.

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Notes to Financial Statements

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### (2) Summary of Significant Accounting Policies, Continued

#### Investments, continued

#### 3. Domestic Fixed Income, continued

- No more than 20% of the market value of the fixed income portfolio may be rated less than single “A” quality, unless the manager has specific written authorization.
- The exposure of the portfolio to any other issuer, other than securities of the U.S. government or agencies, may not exceed 10% of the market value of the fixed income portfolio.

#### 4. Diversified Local Investments

MPLT establishes within the Domestic Fixed Income Asset Class a class for Diversified Local Investments (“DLI”). DLIs are those investments which originate from within the CNMI without regard to each island. The touchstone of classification within DLI is that investment vehicles in this class may be unique or specially targeted towards the CNMI economy or market.

DLI refers to investments that are structured or designed to encourage a diversification of investments by MPLT within the CNMI. With DLIs, MPLT seeks to structure or consider investment vehicles which provide minimal rates of market return with attending corollary benefits. Such corollary benefits may include, but are not limited to, economic development; government stabilization or stimulus programs; affordable housing programs; and scholarships. In the DLI class, the MPLT Trustees may allow for a prudent rate of return where the corollary benefits provide an attending quantifiable return to the CNMI community, particularly to persons of Northern Marianas Descent or benefit persons of Northern Marianas Descent.

To be clear, by having DLIs within this IPS MPLT does not warrant nor guarantee that it may favor investments in DLIs over more competitive investment vehicles, but only that MPLT may weigh the attending corollary benefits in determining whether to make such an investment. Expressed more emphatically, MPLT considers DLIs to be a rarely considered exception and every DLI proposal must be compelling as to its mission and purpose and beneficial in its scope and impact to the people of the CNMI. At all times full fiduciary prudence analysis and proper due diligence is required in both program development and shall be conducted on an investment-by-investment basis.

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

4. Diversified Local Investments, continued

The MPLT Trustees recognize the importance of establishing a competitive risk-adjusted rate of return policy as part of consideration of a DLI. Every DLI proposal under consideration shall, as part of the investment analysis, identify the source of repayment of a fixed-income security such as a mortgage; surety bond; promissory note; or other security as primary consideration. Evaluating the credit-rating or the risk of the DLI or its proposer is also necessary. MPLT also anticipates that such DLI's may not be marketable so that an "illiquidity premium" should be recognized or considered and added to the risk-adjusted rate.

MPLT may require that the risk-adjusted rate may be a floating rate to the appropriate pricing index and adjusted on a quarterly or semi-annual basis. MPLT may also impose a loan origination fee and assess charges for costs of administration at no less than 2% per annum; legal fees; travel/accommodations; and other necessary fees. The Local Investment program applies to the MPLT General Fund and on a limited basis to the American Memorial Park Fund. With respect to the American Memorial Park Fund, it is the Trustees' policy to entertain local investment that only benefits the American Memorial Park beneficiary.

The following constitute the basic standards of review for investments by MPLT in DLI's which remain subject to the prudent investment standard and discretion of the MPLT Trustees.

- An opinion of legal counsel in standards of fiduciary care considering the prospective DLI and its terms under the applicable prudent investor standard.
- A thorough review and analysis by MPLT's financial consultant and/or investment manager as to the prospective DLI. The analysis shall examine all economic factors and address any potential or actual conflicts of interest for MPLT or its Trustees. The analysis shall also give primary attention to risk-adjusted market rates of return with particular attention as to whether the DLI involves a significantly greater than prudent financial risk of loss.
- Documentation of a complete submission of a proposed DLI meeting the requirements of a detailed business plan (if applicable).

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(2) Summary of Significant Accounting Policies, Continued

Investments. Continued

4. Diversified Local Investments, continued

- Every DLI shall be considered with respect to fiduciary prudence and without regard to political, social, or emotional factors with particular
- attention to the founding provisions guiding MPLT's creation: to remit interest income on investments to the General Fund.
- Trustees shall formulate and articulate the specific and detailed investment guidelines for investments under any prospective DLI for which MPLT may wish to solicit. Such guidelines shall include the mechanics of the administration of the DLI; the findings as to the social or economic corollary benefits to the CNMI as a whole; and the consistency or adherence with MPLT's mission.
- Each specific DLI may be evaluated against investments of a similar asset class.
- MPLT may require additional conditions or impose additional terms for any DLI under consideration as part of its fiduciary analysis and no DLI may be approved until and unless it meets all the requirements imposed by MPLT.

5. International (Developed & Emerging Markets) Equities:

- Equity holdings in any one company may not exceed more than 10% of the International Equity portfolio.
- Investments in any one industry category should not be excessive.
- Allocations to any specific country may not be excessive relative to a broadly diversified international equity manager peer group. It is expected that the non-U.S. equity portfolio will have no more than 40% of its mandated style in any one country.
- The manager may enter into foreign exchange contracts on currency, provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio. There may be no direct foreign currency speculation or any related investment activity.

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Notes to Financial Statements

September 30, 2019

(with comparative figures for December 31, 2018)

### (2) Summary of Significant Accounting Policies, Continued

#### Investments. continued

##### 6. International (Developed and Emerging Markets) Fixed Income:

- Investments in a registered mutual fund may not be held to the same restrictions as set forth below for the respective asset classes. The Trustees instead will evaluate the risk and return merits of each mutual fund employing research as provided by third party service providers such as Consultant or Morningstar.
- Allocations to any specific country may not be excessive relative to a broadly diversified international fixed income manager peer group. It is expected that the non-U.S. fixed income portfolio will have no more than 40% of its mandated style in any one country.
- The manager may enter into foreign exchange contracts on currency, provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio. There may be no direct foreign currency speculation or any related investment activity.

##### 7. Cash/Cash Equivalents:

- Cash equivalent reserves may consist of cash instruments having a quality rating of A-1, P-1 or higher. Eurodollar Certificates of Deposits, time deposits, and repurchase agreements are also acceptable investment vehicles.
- Idle cash not invested by the investment managers may be invested daily through an automatic interest-bearing sweep vehicle selected by the manager available and/or managed by the custodian.

##### 8. Real Estate Investment Trusts (REITS):

- Investments in a registered mutual fund may not be held to the same restrictions as set forth below for the respective asset classes. The Trustees instead will evaluate the risk and return merits of each mutual fund employing research as provided by third party service providers such as Consultant or Morningstar.
- Investments in publicly-traded vehicles can offer the total real estate portfolio greater liquidity over private market opportunities; however, they tend to be more correlated with equities than private real estate investments.



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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

8. Real Estate Investment Trusts (REITS), continued

- These investments also offer tactical return opportunities with the potential to achieve higher nominal rates of return at a level of risk equal to or lower than the private markets.
- The maximum equity investment allocable to the public real estate portfolio shall be 10% so as to avoid the composite real estate portfolio becoming unduly correlated with the public equity markets.

9. Global Listed Infrastructure:

- Investments in a registered mutual fund will not be held to the same restrictions as set forth for the respective asset classes. The Trustees instead will evaluate the risk and return merits of each mutual fund employing research as provided by third party service providers such as Investment Consultant or Morningstar.
- Investments in publicly-traded vehicles can offer the total infrastructure portfolio greater liquidity over private market opportunities.
- These investments also offer tactical return opportunities with the potential to achieve higher current income and hedge against inflation due to the long life of physical assets and statements of cash flows.

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

(iii) Asset allocation of the two funds is as follows:

	General Fund			Park Fund		
	Lower Limit	Strategic Allocation	Upper Limit	Lower Limit	Strategic Allocation	Upper Limit
Domestic Equities:	8%	28%	38%	8%	28%	38%
Large Cap Value		14%			14%	
Large Cap Core		14%			14%	
International Equities:						
Non-US Markets	0%	6%	16%	0%	0%	0%
Domestic Fixed Income:						
Core	20%	30%	40%	20%	30%	40%
High Yield	0%	6%	15%	0%	6%	15%
Non U.S. Fixed Income:						
International Bonds	0%	10%	20%	0%	10%	20%
Alternatives:						
Real Estate Investment Trust (REIT)	0%	10%	20%	0%	10%	20%
Global Listed Infrastructure	0%	10%	20%	0%	10%	20%

Rebalancing Policy

The percentage allocation to each asset class may vary as much as approximately 10% depending upon the market conditions.

When necessary and/or available, cash flows will be distributed following the strategic asset allocation of MPLT. If there are no cash flows, the allocation of MPLT will be reviewed quarterly.

If the Trustees judge cash flows to be insufficient in bringing MPLT within the strategic allocation ranges, the Trustees may decide whether to effect transactions so that MPLT would fall within the allocated threshold ranges.

*Frequency*

In two instances, portfolio rebalancing will be necessary to remain within the target asset allocation ranges:

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(2) Summary of Significant Accounting Policies, Continued

Investments, continued

1. Cash Flow Requirements
2. Significant Market Action

Positive cash flows should be directed to the under-weighted asset class, while negative cash flows (disbursements) should be directed away from the over-weighted asset class. This procedure is likely to be fairly routine and predictable.

Significant Market Action requires immediate action to restore asset allocation. This is neither predictable nor routine.

*Liquidity*

The Board Consultant may prepare anticipated expenditure requirements for each disbursement period and communicate these disbursement requirements to all affected managers with as much advance notice as possible. It is anticipated that MPLT's fixed income manager will be the initial and main conduit for contributions and disbursements. It is further anticipated that most of all such disbursements will be made from "income" generated from each account.

*Social Responsibility Policy*

The Trust demonstrates its concern for preservation of the environment and other social causes through its programs and activities. However, no specific constraint in regards to social causes is to be placed on its investment portfolio at this time. Constraints can be added in the future as deemed advisable by the Trustees.

Notes Receivable and Allowance for Loan Losses

Notes receivable are stated at the amount of unpaid principal, reduced by an allowance for loan losses. The allowance for loan losses is established through a provision for doubtful accounts charged to principal fund. Loans are charged against the allowance for loan losses when management believes that the collection of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may be uncollectible, based on evaluations of the collectability of loans and prior loan loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans and current economic conditions that may affect the borrowers' ability to pay. Write-offs against the allowance are based on the specific identification method.

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(2) Summary of Significant Accounting Policies, Continued

Notes Receivable and Allowance for Loan Losses, Continued

Management cannot currently determine the effects of the potential foreclosure of collateralized properties associated with the loans. Accordingly, the allowance for loan losses included in the accompanying financial statements excludes the value of the possible recovery of certain loans through foreclosure.

Foreclosed Real Estate

Real estate properties acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at fair value at the date of foreclosure less estimated selling costs, establishing a new cost basis. Valuations are periodically performed by management and adjustments are made to reflect the real estate at the lower of the carrying amount or fair value less estimated costs to sell. Operating expenses or income, reductions in estimated values, and gains or losses on disposition of such properties are charged to current operations.

Capital Assets

Capital assets are stated at cost. Depreciation is provided over the estimated useful lives of the assets through use of the straight-line method and is charged as a reduction in the investment. Current policy is to capitalize items in excess of \$250.

Retirement Defined Contribution Plan (DC Plan)

On June 16, 2006, Public Law No. 15-13 was enacted which created a defined contribution (DC) Plan, a multi-employer pension plan and is the single retirement program for all employees whose first time CNMI government employment commences on or after January 1, 2007. Each member of the DC Plan is required to contribute to the member's individual account an amount equal to 10% of the member's compensation. MPLT is required to contribute to each member's individual account an amount equal to 4% of the member's compensation. MPLT's recorded DC contributions for the years ended September 30, 2019 and 2018 were \$4,171 and \$4,157, respectively, equal to the required contributions for the year.

Members of the DC Plan who have completed five years of government service have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

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(2) Summary of Significant Accounting Policies, Continued

Net Position

MPLT's net position is classified as follows:

- Net investment in capital assets; capital assets, net of accumulated depreciation.
- Restricted: net position subject to externally imposed stipulations that can be fulfilled by actions pursuant to those stipulations or that expire by the passage of time. MPLT has net position restricted for principal and income.
- Unrestricted: net position that is not subject to externally imposed stipulations. As MPLT considers all assets except investments in capital assets to be restricted, MPLT does not have unrestricted net position at September 30, 2019 and 2018.

Operating and Non-Operating Revenue and Expenses

Operating revenue and expenses include all direct and administrative revenue and expenses associated with the investments.

Nonoperating revenues and expenses result from capital and noncapital financing activities.

New Accounting Pronouncements

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosure. GASB Statement No. 91 will be effective for fiscal year ending September 30, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. This Statement addresses a variety of topics and includes specific

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(2) Summary of Significant Accounting Policies, Continued

New Accounting Pronouncements, Continued

provisions about leases; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; applicability of Statement No. 73 and 84 postemployment benefits, measurements of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. GASB Statement No. 92 will be effective for fiscal year ending September 30, 2020.

In April 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The primary objective of the Statement is to address those and other accounting and financial reporting implications of the replacement of IBOR. GASB Statement No. 93 will be effective for fiscal year ending September 30, 2021.

MPLT is currently evaluating whether or not the new GASB pronouncements listed above will have a significant impact on MPLT's financial statements.

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(3) Notes Receivable

	<u>2019</u>	<u>2018</u>
Notes receivable (Home Loan Program), from various individuals obtained through a settlement agreement with the Northern Marianas Housing Corporation (NMHC) dated December 31, 2007, interest at 2% (5.5% to 8.5% prior to January 1, 2009) and terms from ten to thirty years.	\$ 5,254,456	\$ 5,584,499
Note receivable from Adelantun Publickun Luta Enteramente, Incorporated (APLE 501, Inc.), interest at 5% per annum, due on October 18, 2017, with monthly principal and interest payments in the amount of \$1,225, collateralized by a loan portfolio. Proceeds were used to fund an independently administered individual or parent-student loan program. MPLT has ceased future loan commitments and disbursements to APLE 501, Inc.	48,058	53,588
Notes receivable from the Commonwealth Development Authority (CDA), interest at 6.5% per annum, due on June 1, 2018, collateralized by future distributable net income for the maintenance and development of the American Memorial Park and is to be repaid from earnings in investments pursuant to CNMI Public Law 11-72. Distributions were not sufficient to satisfy the note at maturity but will continue until the note is fully repaid.	-	113,244
Notes receivable from the CNMI Government, interest at 7% per annum, due on December 28, 2019. Public Law 18-71 earmarks and appropriates from future interest income distributions starting fiscal year 2016 until the note is fully reimbursed. Interest is due annually.	-	1,011,198
Notes receivable from the Commonwealth Healthcare Corporation (CHCC), with interest at 5% per annum, due on October 31, 2023. Collateralized by CHCC's real properties for operational and bridge capital pursuant to CNMI Public Law 17-76.	2,379,287	2,850,000
Note receivable from the CNMI Government, interest at 7.5% per annum due on September 1, 2024.	8,848,237	-
	16,530,038	9,612,529
Less allowance for loan losses	(2,322,058)	(3,395,388)
	14,207,980	6,217,141
Less current portion	(2,251,296)	(866,421)
Long-term portion	<u>\$ 11,956,684</u>	<u>\$ 5,350,720</u>

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(3) Notes Receivable, Continued

An analysis of the change in the allowance for loan losses is as follows:

	<u>General Fund</u>	<u>Park Fund</u>	<u>2019</u>	<u>2018</u>
Balance - beginning of year	\$ 3,395,388	\$ -	\$ 3,395,388	\$ 3,401,047
Recovery of loan losses	(1,073,330)	-	(1,073,330)	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,659)</u>
Balance - end of year	<u>\$ 2,322,058</u>	<u>\$ -</u>	<u>\$ 2,322,058</u>	<u>\$ 3,395,388</u>

(4) Capital Assets

A schedule of changes in capital assets as of September 30, 2019 and 2018 is as follows:

	<u>Balance at 10/01/18</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at 9/30/19</u>
Building	\$ 243,075	1,525	-	244,600
Furniture, fixtures and equipment	172,912	2,451	(510)	174,853
Vehicle	<u>79,319</u>	<u>-</u>	<u>(16,595)</u>	<u>62,724</u>
Total depreciable assets	495,306	3,976	(17,105)	482,177
Accumulated depreciation	<u>(343,499)</u>	<u>(36,909)</u>	<u>17,105</u>	<u>(363,303)</u>
	151,807	(32,933)	-	118,874
Land	<u>153,000</u>	<u>-</u>	<u>-</u>	<u>153,000</u>
Capital assets, net	<u>\$ 304,807</u>	<u>(32,933)</u>	<u>-</u>	<u>271,874</u>



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(4) Capital Assets, Continued

	<u>Balance at</u> 10/01/17	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at</u> 9/30/18
Building	\$ 243,075	-	-	243,075
Furniture, fixtures and equipment	164,994	7,918	-	172,912
Vehicle	<u>79,319</u>	<u>-</u>	<u>-</u>	<u>79,319</u>
Total depreciable assets	487,388	7,918	-	495,306
Accumulated depreciation	<u>(304,991)</u>	<u>(38,508)</u>	<u>-</u>	<u>(343,499)</u>
	182,397	(30,590)	-	151,807
Land	<u>140,650</u>	<u>12,350</u>	<u>-</u>	<u>153,000</u>
Capital assets, net	<u>\$ 323,047</u>	<u>(18,240)</u>	<u>-</u>	<u>304,807</u>

(5) Net Position

In accordance with MPLT's accounting policies, gains and losses on investments are allocated to principal. Additionally, a portion of the distribution to the CNMI government is specifically designated as an increase in principal. Movement in principal and interest accounts for the years ended September 30, 2019 and 2018, is summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>2019</u>	<u>2018</u>
<u>General Fund</u>				
Balance at beginning of year	\$ 93,064,906	-	93,064,906	84,097,359
Net increase in the fair value of investments	2,116,688	-	2,116,688	8,967,547
Other operating net income	-	2,265,081	2,265,081	1,840,206
Transfers	<u>-</u>	<u>(2,265,081)</u>	<u>(2,265,081)</u>	<u>(1,840,206)</u>
Balance at end of year	<u>\$ 95,181,594</u>	<u>-</u>	<u>95,181,594</u>	<u>93,064,906</u>
<u>Park Fund</u>				
Balance at beginning of year	\$ 9,633,641	-	9,633,641	9,419,423
Net increase in the fair value of investments	141,035	-	141,035	214,218
Other operating net income	140,993	115,494	256,487	198,825
Transfers	<u>-</u>	<u>(115,494)</u>	<u>(115,494)</u>	<u>(198,825)</u>
	<u>\$ 9,915,669</u>	<u>-</u>	<u>9,915,669</u>	<u>9,633,641</u>

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(6) Contribution To/From Primary Government

In accordance with Article XI of the Constitution of the CNMI, MPLT makes distributions to the CNMI general fund from investment income. During the years ended September 30, 2019 and 2018, MPLT recorded \$2,265,081 and \$1,840,206, respectively, of distributions to the CNMI general fund, which was offset against payments on a note receivable from the CNMI Government.

In accordance with Article VIII, Section 803(e) of the Covenant, MPLT makes operating transfers out for the development and maintenance of the American Memorial Park. During the years ended September 30, 2019 and 2018, MPLT recorded \$115,494 and \$198,825, respectively, for transfers out for this purpose.

(7) Risk Management

MPLT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. MPLT has elected to purchase commercial insurance from independent third parties for the risks of losses to which it is exposed with respect to the use of motor vehicles. Settled claims have not exceeded this commercial insurance coverage during the past three years.

(8) Related Parties

The legal counsel of MPLT has paid off his home loan outstanding of \$7,851 as of September 30, 2018. The home loan was obtained from NMHC in the ordinary course of business and is classified as notes receivable in the accompanying financial statements. This loan predates the assumption of the portfolio by MPLT from NMHC. MPLT has loaned money to other CNMI government agencies, as more fully described in Note 3.

(9) Commitment

In accordance with the addendum of memorandum of agreement between the CNMI and the U.S. Department of the Interior for development and management of the American Memorial Park, MPLT is obligated to contribute \$150,000 annually, to the extent of available income, for development and maintenance of the American Memorial Park.

(10) Contingency

In accordance with the Settlement Agreement with NMHC, MPLT guarantees Service Released Loans that were issued by financial institutions. At September 30, 2019 and 2018, MPLT was contingently liable to these institutions for \$564,951.

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(11) Subsequent Events

In preparing the accompanying financial statements and these footnotes, management has evaluated subsequent events through November 20, 2020, which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S and throughout Micronesia. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. As a result of the spread of the coronavirus pandemic, economic uncertainties have arisen which are likely to impact the day to day administration of MPLT. While this matter is expected to negatively impact MPLT's results of operations and financial position, the related financial impact cannot be reasonably estimated at this time.

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Combining Statement of Net Position  
September 30, 2019

	<u>General</u>	<u>Park</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>			
<b><u>ASSETS</u></b>					
Current assets:					
Cash and cash equivalents	\$ 1,637,305	155,646	1,792,951	-	1,792,951
Receivables:					
Notes, current portion	2,251,296	-	2,251,296	-	2,251,296
Accrued income	275,382	32,052	307,434	-	307,434
Other	61,796	-	61,796	-	61,796
Due from other funds	13,379	-	13,379	(13,379)	-
Due from brokers	10,022	30,073	40,095	-	40,095
Prepaid expense	7,514	-	7,514	-	7,514
Total current assets	<u>4,256,694</u>	<u>217,771</u>	<u>4,474,465</u>	<u>(13,379)</u>	<u>4,461,086</u>
Other assets:					
Investments	<u>78,799,734</u>	<u>9,749,226</u>	<u>88,548,960</u>	<u>-</u>	<u>88,548,960</u>
Total other assets	<u>78,799,734</u>	<u>9,749,226</u>	<u>88,548,960</u>	<u>-</u>	<u>88,548,960</u>
Noncurrent assets:					
Notes receivable, net of current portion and allowance for loan losses	11,956,684	-	11,956,684	-	11,956,684
Capital assets, net	<u>271,874</u>	<u>-</u>	<u>271,874</u>	<u>-</u>	<u>271,874</u>
Total noncurrent assets	<u>12,228,558</u>	<u>-</u>	<u>12,228,558</u>	<u>-</u>	<u>12,228,558</u>
	<u>\$ 95,284,986</u>	<u>9,966,997</u>	<u>105,251,983</u>	<u>(13,379)</u>	<u>105,238,604</u>
<b><u>LIABILITIES AND NET POSITION</u></b>					
Current liabilities:					
Accounts payable	32,600	2,282	34,882		34,882
Due to other funds	-	13,379	13,379	(13,379)	-
Due to brokers	48,236	35,667	83,903	-	83,903
Accrued expenses	<u>22,556</u>	<u>-</u>	<u>22,556</u>	<u>-</u>	<u>22,556</u>
Total liabilities	<u>103,392</u>	<u>51,328</u>	<u>154,720</u>	<u>(13,379)</u>	<u>141,341</u>
Net Position:					
Net investment in capital assets	271,874	-	271,874	-	271,874
Restricted	<u>94,909,720</u>	<u>9,915,669</u>	<u>104,825,389</u>	<u>-</u>	<u>104,825,389</u>
Total net position	<u>95,181,594</u>	<u>9,915,669</u>	<u>105,097,263</u>	<u>-</u>	<u>105,097,263</u>
	<u>\$ 95,284,986</u>	<u>9,966,997</u>	<u>105,251,983</u>	<u>(13,379)</u>	<u>105,238,604</u>

See accompanying independent auditor's report.

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Combining Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2019

	General Fund	Park Fund	Subtotal	Elimination	Total
Operating revenues:					
Investment income, net	\$ 3,028,631	366,501	3,395,132	-	3,395,132
Net increase in fair value of investments	2,116,688	141,035	2,257,723	-	2,257,723
Interest income from notes receivable	332,693	2,249	334,942	-	334,942
Other	<u>2,683</u>	<u>46</u>	<u>2,729</u>	<u>-</u>	<u>2,729</u>
Total operating revenues	<u>5,480,695</u>	<u>509,831</u>	<u>5,990,526</u>	<u>-</u>	<u>5,990,526</u>
Operating expenses:					
Money manager fees	301,341	36,518	337,859	-	337,859
Money management administration	182,982	20,965	203,947	-	203,947
Salaries and benefits	149,244	16,291	165,535	-	165,535
Consultancy fees	127,214	15,614	142,828	-	142,828
Contract services	64,800	7,200	72,000	-	72,000
Trustees' expenses	62,238	6,824	69,062	-	69,062
Office expense	57,953	6,474	64,427	-	64,427
Professional fees	63,573	-	63,573	-	63,573
Depreciation	36,909	-	36,909	-	36,909
Loan administration fee	30,078	-	30,078	-	30,078
Audit	13,464	1,536	15,000	-	15,000
Rent and utilities	8,230	887	9,117	-	9,117
Repairs and maintenance	<u>900</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total operating expenses	<u>1,098,926</u>	<u>112,309</u>	<u>1,211,235</u>	<u>-</u>	<u>1,211,235</u>
Operating income	<u>4,381,769</u>	<u>397,522</u>	<u>4,779,291</u>	<u>-</u>	<u>4,779,291</u>
Other nonoperating expenses:					
Net distribution to the CNMI General Fund/ American Memorial Park					
	<u>(2,265,081)</u>	<u>(115,494)</u>	<u>(2,380,575)</u>	<u>-</u>	<u>(2,380,575)</u>
Total nonoperating expenses	<u>(2,265,081)</u>	<u>(115,494)</u>	<u>(2,380,575)</u>	<u>-</u>	<u>(2,380,575)</u>
Change in net position	2,116,688	282,028	2,398,716	-	2,398,716
Net position at beginning of year	<u>93,064,906</u>	<u>9,633,641</u>	<u>102,698,547</u>	<u>-</u>	<u>102,698,547</u>
Net position at end of year	<u>\$ 95,181,594</u>	<u>9,915,669</u>	<u>105,097,263</u>	<u>-</u>	<u>105,097,263</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
**(A Component Unit of the Commonwealth of the Northern Mariana Islands)**

Combining Statement of Cash Flows Information

Year Ended September 30, 2019

	General Fund	Park Fund	Subtotal	Elimination	Total
Cash flows from operating activities:					
Cash received from operations	\$ 9,598,335	338,137	9,936,472	-	9,936,472
Cash payments to suppliers for goods and services	<u>(1,087,855)</u>	<u>(93,831)</u>	<u>(1,181,686)</u>	-	<u>(1,181,686)</u>
Net cash provided by operating activities	<u>8,510,480</u>	<u>244,306</u>	<u>8,754,786</u>	<u>-</u>	<u>8,754,786</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(3,976)</u>	-	<u>(3,976)</u>	-	<u>(3,976)</u>
Net cash used for financing activities	<u>(3,976)</u>	<u>-</u>	<u>(3,976)</u>	<u>-</u>	<u>(3,976)</u>
Cash flow from investing activities:					
Net increase in notes receivable	(10,267,044)	-	(10,267,044)	-	(10,267,044)
Net increase (decrease) in investments	<u>50,811</u>	<u>(264,252)</u>	<u>(213,441)</u>	-	<u>(213,441)</u>
Net cash used for investing activities	<u>(10,216,233)</u>	<u>(264,252)</u>	<u>(10,480,485)</u>	<u>-</u>	<u>(10,480,485)</u>
Net decrease in cash and cash equivalents	(1,709,729)	(19,946)	(1,729,675)	-	(1,729,675)
Cash and cash equivalents at beginning of year	<u>3,347,034</u>	<u>175,592</u>	<u>3,522,626</u>	<u>-</u>	<u>3,522,626</u>
Cash and cash equivalents at end of year	<u>\$ 1,637,305</u>	<u>155,646</u>	<u>1,792,951</u>	<u>-</u>	<u>1,792,951</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 4,381,769	397,522	4,779,291	-	4,779,291
Adjustments to reconcile operating income to net cash provided by operating activities:					
Net increase in fair value of investments	(2,116,688)	(141,035)	(2,257,723)	-	(2,257,723)
Noncash interest income	(102,120)	(2,250)	(104,370)	-	(104,370)
Depreciation	36,909	-	36,909	-	36,909
(Increase) decrease in assets:					
Receivable - Department of Public Lands	6,327,685	-	6,327,685	-	6,327,685
Receivable - accrued income	(10,174)	(309)	(10,483)	-	(10,483)
Other receivable	2,849	-	2,849	-	2,849
Due from other funds	7,291	-	7,291	-	7,291
Due from brokers	6,503	(28,100)	(21,597)	-	(21,597)
Prepaid expense	2,294	-	2,294	-	2,294
Increase (decrease) in liabilities:					
Accounts payable	(24,610)	(1,508)	(26,118)	-	(26,118)
Due to other funds	-	(7,291)	(7,291)	-	(7,291)
Payable to brokers	(19,934)	27,277	7,343	-	7,343
Accrued expenses	<u>18,706</u>	<u>-</u>	<u>18,706</u>	<u>-</u>	<u>18,706</u>
Net cash provided by operating activities	<u>\$ 8,510,480</u>	<u>244,306</u>	<u>8,754,786</u>	<u>-</u>	<u>8,754,786</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - General Fund  
September 30, 2019

<b>Mutual Funds</b>	<u>Cost</u>	<u>Fair Value</u>
Templeton GI Bond Adv	\$ 9,569,737	7,937,831
<b>Total Mutual Funds</b>	<u>9,569,737</u>	<u>7,937,831</u>
<b>Equities</b>		
<b>Domestic Common Stock</b>		
Abbott Laboratories Ord	81,919	118,728
Adobe Ord	54,163	108,014
Alcon Ord	160,047	163,870
Alibaba Group Holding ADR Rep 8 Ord	122,211	112,555
Allstate Ord	248,589	263,917
Alphabet CL A Ord	273,816	394,428
Amazon Com Ord	190,475	453,073
American Express Ord	199,760	219,409
American tower Reit	192,754	202,334
Apple Ord	379,838	578,962
AT&T Ord	284,147	324,289
Becton Dickinson Ord	115,925	143,681
Boeing Ord	371,886	416,615
Boston Scientific Ord	119,565	211,791
Capital One financial Ord	104,463	105,537
Chevron Ord	191,396	211,108
Cisco Systems Ord	159,759	190,723
Citigroup Ord	325,395	326,403
Coca cola ord	108,691	135,556
Comcast CL A ord	249,737	271,832
Conocophillips ord	124,210	106,838
CVS Health Ord	112,167	112,265
Dollar General Ord	153,494	251,125
Eli Lilly Ord	106,188	115,185
Facebook CL A Ord	210,587	224,381
Home Depot Ord	78,172	223,899
Honeywell International Ord	168,964	225,036
Johnson & Johnson Ord	144,464	142,318
JP MorganChase Ord	212,787	357,778
Medonalds ord	140,423	162,106
Merck & Co Ord	157,814	162,467
Micron Technology Ord	82,300	80,344
Microsoft Ord	267,874	706,968
Netflix Ord	84,308	66,102
Nike CL B Ord	154,513	188,779
Norfolk Southern Ord	318,513	311,710
Nvidia Ord	107,445	142,737
Palo Alto networks Ord	142,042	144,719
Paypal Holdings Ord	205,234	235,667
Phillip Morris International ord	112,958	117,692
Procter & Gamble Ord	90,988	128,733
Progressive Ord	77,730	78,409
Qualcomm Ord	113,970	116,785
Salesforce.com ord	78,539	109,846
TJX Ord	104,848	142,973
Twitter ord	79,454	88,992
United Health Grp Ord	68,156	121,699
Vertex Pharmaceuticals Ord	110,313	126,218
Visa CL A Ord	200,505	357,781
Wallmart Ord	180,062	214,217
Walt Disney Ord	171,576	192,220
<b>Subtotal - Atalanta</b>	<u>8,295,134</u>	<u>10,708,814</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - General Fund  
September 30, 2019

	Cost	Fair Value
<b>Equities, Continued</b>		
<b>Domestic Common Stock, Continued</b>		
Acadia	\$ 214,781	148,562
Adobe ord	132,294	500,565
Alcon Ord	205,815	218,862
Allegion Ord	275,437	272,807
Ameriprise Finance Ord	180,259	279,490
Amgen ord	253,444	305,746
Ansys Ord	179,119	422,798
Banco Bilbao Vizcaya Agentaria Adr	232,411	157,050
Bank of America Ord	193,128	358,791
BOK Fianncial Ord	81,390	118,725
Capital One Fianncial ord	201,766	231,544
Chubb Ord	181,945	249,586
Coca cola Ord	259,194	336,058
Cullen Frost Bankers Ord	113,745	137,252
Danaher Ord	243,566	449,611
East West Bancorp Ord	194,094	157,363
Equity Lifestyle Prop Reit Ord	126,279	191,983
General Dynamics Ord	163,030	255,822
Halliburton Ord	311,962	91,554
Home Depot Ord	118,475	335,965
Johnson Controls International Ord	233,114	282,959
JP Morgan Chase Ord	106,505	217,727
Lennar CL A Ord	184,029	245,741
Lennar CL B Ord	3,129	3,842
Martin marietta Materials Ord	157,431	342,625
Medtronic ord	238,545	336,722
Micrchip Technology Ord	156,787	343,767
Microsft Ord	171,667	171,667
Mitsubishi UFJ FNCL Grp Ads Rep Ord	138,346	510,624
Natl Fuel Gas Ord	216,458	165,628
Novartis Adr Repsg 1 Ord	231,660	245,319
Oshkosh Ord	186,577	257,720
Parker Hannifin ord	257,396	274,527
Paypal Holdings Ord	110,466	383,283
Phillips 66 Ord	217,620	276,480
Pioneer Natural Resourse Ord	206,259	125,770
PPG Industries Ord	248,443	284,543
Sony Adr Rep 1 Ord	244,142	289,323
Sun Communities Reit Ord	125,381	203,376
Twitter Ord	216,488	272,209
Tyson Foods CL A Ord	268,835	283,314
Unilever Adr Rep 1 ord	184,338	252,189
Walgreen Boots Alliance Ord	206,584	154,866
	<b>8,172,332</b>	<b>11,144,355</b>
<b>Subtotal - Aristotle</b>		
	<b>16,467,466</b>	<b>21,853,169</b>
<b>Total Domestic Common Stock</b>		

See accompanying independent auditor's report.



**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - General Fund  
September 30, 2019

Equities, Continued	Cost	Fair Value
<b>International Common Stock</b>		
ABB ADR REP 1 ORD	\$ 55,649	55,902
58.COM ADR REP 2 CL A ORD	49,983	31,213
ABN AMRO BK AMSTM BRH UN ADR REP ORD	41,602	40,593
ACCENTURE CL A ORD	60,677	95,021
ALCON ORD	12,160	17,553
ANHEUSER BUSCH ADR REP 1 ORD	120,457	108,186
AON CL A ORD	68,188	119,820
ASSA ABLOY ADR	81,503	90,629
ATOS ORIGIN ADR	17,315	15,429
BB SEGURIDADE PARTICIPACOES ADR	54,339	49,663
BHP GROUP ADR	28,747	48,985
CANADIAN NATIONAL RAILWAY ORD	30,310	43,665
CARLSBERG AS SPONSORED REPRESENT ADR	45,342	58,633
COMPAGNIE FINANCIERE RICHEMONT U ADR	37,133	42,252
COMPASS GROUP ADR	43,789	59,451
CONTL ADR	36,994	33,081
DAIWA HOUSE INDUSTRY ADR REP ORD	60,128	73,801
DBS GROUP HOLDINGS ADR	49,446	66,600
ENGIE SPONSORED ADR	82,507	91,209
ENN ENERGY HOLDINGS ADR	45,206	43,988
EQUINOR ASA	41,459	45,442
FERGUSON ADR	33,395	40,800
GENMAB 10 SPON ADR REP ORD	25,058	24,818
GRUPO FINANCIERO BANORTE ADR	47,556	40,376
ICICI BANK ADR REP 2 ORD	36,946	49,743
KAO UNSPON ADR REP 1/5 ORD	42,578	49,319
KASIKORNBANK PUBLIC ADR	27,761	26,528
KOMATSU ADR	65,934	55,993
LONZA GROUP ADR	52,761	55,965
MAKITA ADR REP 1 ORD	61,170	60,781
MEDTRONIC ORD	112,421	144,682
MR PRICE GROUP ADR	22,891	20,060
NASPERS SPON 5 ADR REP CL N ORD	64,900	42,958
NORDEA BANK ABP SPONSORED FINLAN ADR	91,508	58,092
NOVARTIS ADR REPSG 1 ORD	104,440	130,784
PING AN INSURANCE GROUP COMPANY ADR	92,048	104,693
PROSUS SPONSORED 5 ADR REP ORD	21,767	20,838
PRUDENTIAL ADR REPSTG 2 ORD	105,771	101,237
PT TLKMNK TBK ADR REP 100 SRS B ORD	29,264	42,034
RED ELECTRICA CORPORACION ADR	39,605	37,138
RELX ADR REP ORD	84,594	92,176
ROYAL DSM NV SPONSORED NETHERLAN ADR	42,991	47,663
ROYAL DUTCH SHELL ADR REP 2 CL A ORD	124,033	132,177
RYANAIR HOLDINGS ORD	58,114	42,350
RYOHIN KEIKAKU ADR REP ORD	51,195	43,767
SAFRAN ADR	88,896	125,669
SAMPO OYJ UNSPONSORED REPRESENTI ADR	77,886	76,033
SANEAMEN SAO PAU ADR REP 1 ORD	17,072	27,300
	<u>2,685,489</u>	<u>2,925,090</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - General Fund  
September 30, 2019

	Cost	Fair Value
<b>Equities, Continued</b>		
<b>International Common Stock, Continued</b>		
SANLAM ADR	\$ 28,745	32,875
SANOFI ADR REP 1 1/2 ORD	93,797	99,100
SAP ADR REP 1 ORD	97,865	128,714
SHIN ETSU CHEMICAL ADR	53,055	58,323
SUMITOMO MIT ADR REP 1/5TH OF ORD	55,366	56,724
SUNCOR ENERGY ORD	92,230	88,848
SUZUKI MOTOR ADR REP 4 ORD	50,742	42,443
TAIWAN SEMICONDUCTOR MNFTG ADR 5 ORD	47,319	99,002
TELENOR ASA ADR	69,605	79,624
TENCENT HOLDINGS ADR	33,628	30,538
UBI SOFT ENTERTAINME ADR REP 1/5 ORD	37,543	31,056
UNILEVER ADR REP 1 ORD	60,313	82,458
VINCI ADR	31,657	48,211
VIVENDI ADR	81,698	86,416
VOLKSWAGEN 10 UNSPON ADR REP PRF	94,597	91,603
WOLTERS KLUWER N V ORD ADR	37,801	72,800
YANDEX CL A ORD	39,217	42,292
ZOZO ADR	21,944	25,298
	<u>1,027,122</u>	<u>1,196,325</u>
<b>Total International Common Stock - Lazard</b>	<u>3,712,611</u>	<u>4,121,415</u>
<b>Real Estate Investment Trusts</b>		
ALEXANDER AND BALDWIN ORD	120,407	129,584
ALEXANDRIA REAL ESTATE EQ REIT ORD	339,679	476,446
AMERICAN TOWER REIT	146,055	240,589
AMERICOLD REALTY ORD	151,119	218,972
BOSTON PROPERTIES REIT ORD	404,727	436,695
CAMDEN PROPERTY REIT ORD	363,315	429,054
CORESITE REALTY REIT ORD	136,266	167,544
CUBESMART REIT ORD	221,475	260,354
CYRUSONE REIT ORD	115,357	128,617
DIAMONDROCK HOSPITALITY REIT ORD	184,587	186,806
DUKE REALTY REIT ORD	230,219	274,138
EQUINIX REIT ORD	487,633	671,395
EQUITY RESIDENTIAL REIT ORD	566,304	717,166
ESSEX PROPERTY REIT ORD	337,379	448,164
EXTRA SPACE STORAGE REIT ORD	326,950	445,318
HCP REIT ORD	408,072	467,394
HEALTHCAR TRST OF AM CL A REIT ORD	167,589	165,997
HIGHWOODS PROPERTIES REIT ORD	169,282	158,234
HILTON WORLDWIDE HOLDINGS ORD	152,047	151,397
INVITATION HOMES ORD	207,169	232,527
JBG SMITH PROPERTIES ORD	199,322	210,597
KILROY REALTY REIT ORD	330,168	373,560
KIMCO REALTY REIT ORD	285,048	297,206
MGM GROWTH PROPERTIES CL A ORD	176,773	180,210
PARAMOUNT GROUP REIT ORD	110,678	104,531
PEBBLEBROOK HOTEL REIT ORD	263,286	227,122
PROLOGIS REIT	501,454	817,004
REGENCY CENTERS REIT ORD	288,837	292,414
SIMON PROP GRP REIT ORD	820,669	710,854
SUN COMMUNITIES REIT ORD	210,602	371,422
TERRENO REALTY REIT ORD	121,647	158,634
VENTAS REIT ORD	318,259	407,580
	<u>8,862,374</u>	<u>10,557,525</u>
<b>Total Real Estate Investment Trusts - Adelante</b>	<u>8,862,374</u>	<u>10,557,525</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Republic of Palau)

Schedule of Investments - General Fund  
September 30, 2019

	Cost	Fair Value	Ratings
<b>Infrastructure Lazard</b>			
<b>Total Infrastructure Lazard</b>	\$ 5,560,770	5,620,032	
<b>Total Equities</b>	34,603,221	42,152,141	
<b>Fixed Income Securities</b>			
<b>Mortgage &amp; Asset Backed Securities</b>			
FEDERAL HOME LOAN BANKS @2.010%, due 12/18/2020	1,575,000	1,575,800	AA+
FEDERAL HOME LOAN BANKS @2.178%, due 1/4/2021	815,000	814,909	AA+
FEDERAL HOME LOAN BANKS @2.032%, due 9/13/2021	690,000	690,000	AA+
FH G60134 @ 4.500%, due 7/3/2023	397,728	397,728	AA+
FN MA3539 @ 4.500%, due 7/15/2023	843,669	843,669	AA+
<b>Total Mortgage &amp; Asset Backed Securities - Garcia Hamilton</b>	4,321,397	4,322,106	
<b>Government Bonds</b>			
UNITED STATES TREASURY @ 2.875%, due 8/15/2045	924,340	922,076	AA+
UNITED STATES TREASURY @ 6.250%, due 5/15/2030	903,998	904,653	AA+
UNITED STATES TREASURY @ 2.500%, due 5/15/2046	2,346,945	2,381,583	AA+
UNITED STATES TREASURY @ 2.053%, due 4/30/2021	464,633	652,547	AA+
<b>Total Government Bonds - Garcia Hamilton</b>	4,639,916	4,860,859	
<b>Corporate Bonds</b>			
AMERICAN EXPRESS CREDIT CORP @ 3.168%, due 8/14/2020	834,855	834,423	A-
APPLE INC @ 2.684%, due 2/9/2022	663,886	666,362	AA+
BANK OF AMERICA CORP @ 2.756%, due 6/25/2022	642,758	643,042	A-
BANK OF AMERICA CORP @ 3.283%, due 4/24/2023	410,197	411,286	A-
BANK OF NEW YORK MELLON CORP @ 3.316%, due 10/30/2023	618,927	620,274	A
BB&T CORP @ 2.969%, due 4/1/2022	900,945	909,299	A-
CITIGROUP INC @ 3.224%, due 5/17/2024	1,114,889	1,115,100	BBB+
COMCAST CORP @ 2.933%, due 4/15/2024	464,349	467,823	A-
FIFTH THIRD BANK (OHIO) @ 2.893%, due 2/1/2022	460,000	460,000	A-
GOLDMAN SACHS GROUP INC, @ 3.717%, due 11/29/2023	573,493	573,493	BBB+
IBM CREDIT LLC @ 2.538%, due 1/20/2021	421,352	423,114	A+
INTEL CORP @ 2.531%, due 5/11/2022	647,921	656,118	A+
JOHN DEERE CAPITAL CORP @ 2.582%, due 9/8/2022	465,312	465,085	A
JPMORGAN CHASE & CO @ 3.175%, due 4/25/2023	691,402	693,058	A-
JPMORGAN CHASE & CO @ 3.772%, due 1/24/2029	337,175	336,420	A-
MORGAN STANLEY @ 3.683%, due 10/24/2023	553,738	589,641	BBB+
MORGAN STANLEY @ 3.683%, due 10/24/2023	511,000	575,617	BBB+
PNC BANK NA @ 2.756%, due 7/27/2022	905,751	914,424	A
QUALCOMM INC @ 2.996%, due 1/30/2023	445,051	446,448	A-
US BANK NA @ 2.588%, due 5/23/2022	1,060,562	1,540,017	A+
WALT DISNEY CO @ 2.523%, due 3/4/2022	573,654	573,272	A
WELLS FARGO & CO @ 3.486%, due 10/31/2023	795,591	803,364	A-
WELLS FARGO & CO @ 3.486%, due 10/31/2023	284,858	311,855	A-
<b>Subtotal - Garcia Hamilton</b>	14,377,666	15,029,535	
ADT CORP @ 4.125%, due 6/15/2023	77,500	80,236	BB-
ALLEGHENY LUDLUM CORPORATION @ 6.950%, due 12/15/2025	83,250	83,306	B-
AMERICAN AXLE AND MANUFACTURING INC @ 6.250%, due 4/1/2025	82,390	78,148	B
AMERIGAS PARTNERS LP @ 5.875%, due 8/20/2026	80,120	87,752	BB-
BALL CORP @ 5.250%, due 7/1/2025	81,495	89,008	BB+
BELO CORP @ 7.250%, due 9/15/2027	88,341	96,777	BB-
CCO HOLDINGS LLC @ 5.250%, due 9/30/2022	80,145	79,723	B+
CSC HOLDINGS LLC @ 6.750%, due 11/15/2021	77,630	84,801	B-
CARE CAPITAL PROPERTIES LP @ 5.125%, due 8/15/2026	84,984	86,739	BB+
CENTENE CORP @ 4.750%, due 1/15/2025	79,500	81,960	BB+
CENTURYLINK INC 6.450%, due 6/15/2021	76,560	81,781	B
	891,915	930,231	

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Republic of Palau)

Schedule of Investments - General Fund  
September 30, 2019

	Cost	Fair Value	Ratings
<b>Fixed Income Securities, Continued</b>			
<b>Corporate Bonds, Continued</b>			
CLEARWATER PAPER CORP @ 4.500%, due 2/1/2023	\$ 74,584	79,589	BB-
CLIFFS NATURAL RESOURCES INC @ 5.750%, due 3/1/2025	80,394	78,605	B+
COLUMBIA HEALTHCARE CORPORATION @ 7.500%, due 12/15/2023	87,300	91,508	BB-
COMMERCIAL METALS CO @ 5.375%, due 7/15/2027	79,900	85,570	BB
CONSOLIDATED COMMUNICATIONS FINANCE II CO. @ 6.500%, due 10/1/2022	75,300	72,892	CCC+
UAL 05ERJ1 A1 @ 9.798%, due 4/1/2021	17,168	17,213	BB
COVANTA HOLDING CORP @ 5.875%, due 7/1/2025	84,388	88,524	B
DCP MIDSTREAM OPERATING LP @ 3.875%, due 12/15/2022	68,625	73,040	BB
DELL COMPUTER CORPORATION @ 7.100%, due 4/15/2028	82,875	87,925	BB-
DISH DBS CORP @ 5.125%, due 5/1/2020	82,600	83,027	B-
EQUINIX INC @ 5.375%, due 1/1/2022	83,050	83,580	BB
GEO GROUP INC @ 5.125%, due 4/1/2023	75,750	66,453	B+
GLP CAPITAL LP @ 5.375%, due 4/15/2026	81,425	88,414	BB+
GENESIS ENERGY LP @ 6.500%, due 10/1/2025	79,200	77,865	B+
GRIFFON CORP @ 5.250%, due 3/1/2022	76,758	78,765	B
H&E EQUIPMENT SERVICES INC @ 5.625%, due 12/15/2025	65,020	66,911	B
ISTAR INC @ 6.000%, due 4/1/2022	55,413	56,762	BB-
ICAHN ENTERPRISES LP @ 6.375%, due 12/15/2025	80,487	84,189	BB-
LENNAR CORP @ 4.750%, due 11/15/2022	71,225	74,237	BB+
LIBERTY MEDIA CORPORATION @ 8.500%, due 7/15/2029	81,400	85,218	B
L BRANDS INC @ 5.625%, due 2/15/2022	56,734	58,278	BB
MPT OPERATING PARTNERSHIP, L.P	83,944	83,851	BB+
MERCER INTERNATIONAL INC @ 6.500%, due 2/1/2024	84,800	83,858	BB-
MEREDITH CORP @ 6.875%, due 2/1/2026	83,362	81,466	B-
NGL ENERGY PARTNERS LP @ 6.125%, due 3/1/2025	75,823	75,626	B
NATIONAL CINEMEDIA LLC @ 5.750%, due 8/15/2026	79,900	81,897	B-
NAVIENT CORP @ 6.500%, due 6/15/2022	82,400	86,232	B+
OXFORD FINANCE LLC @ 6.375%, due 12/15/2022	66,950	68,019	B
PARK-OHIO INDUSTRIES INC @ 6.625%, due 4/15/2027	79,200	76,368	B-
PENSKE AUTOMOTIVE GROUP INC @ 5.500%, due 5/15/2026	79,200	83,451	B+
PITNEY BOWES INC @ 3.875%, due 10/1/2021	74,200	77,728	BB
PRECISION DRILLING CORP @ 7.750%, due 12/15/2023	76,148	74,414	B
QUADGRAPHICS INC @ 7.000%, due 5/1/2022	68,163	70,491	B
ROSE ROCK MIDSTREAM LP @ 5.625%, due 7/15/2022	79,200	81,125	B-
SONIC AUTOMOTIVE INC @ 6.125%, due 3/15/2027	73,124	80,974	B
SPRINGLEAF FINANCE CORP @ 6.125%, due 3/15/2024	81,720	86,266	BB-
SPRINT NEXTEL CORP @ 6.000%, due 11/15/2022	85,500	87,154	B-
SUBURBAN PROPANE PARTNERS LP @ 5.875%, due 3/1/2027	79,675	81,690	B+
SUNOCO LP @ 5.500%, due 2/15/2026	76,600	83,167	B+
TRI POINTE GROUP INC @ 5.250%, due 6/1/2027	80,000	80,200	BB-
TARGA RESOURCES PARTNERS LP @ 5.250%, due 5/1/2023	65,800	68,812	BB-
TENNECO INC @ 5.375%, due 12/15/2024	70,367	69,549	B-
TRANSDIGM INC @ 6.375%, due 6/15/2026	84,584	84,236	B-
TRANSMONTAIGNE PARTNERS LP @ 6.125%, due 2/15/2026	80,075	77,012	B-
UNITED RENTALS (NORTH AMERICA) INC @ 4.625%, due 7/15/2023	79,451	81,517	BB+
WESCO DISTRIBUTION INC @ 5.375%, due 6/15/2024	83,799	83,363	B+
	<u>3,493,581</u>	<u>3,567,031</u>	
<b>Subtotal - Chartwell</b>	<u>4,385,496</u>	<u>4,497,262</u>	
<b>Total Corporate Bonds</b>	<u>18,763,162</u>	<u>19,526,797</u>	
<b>Total Fixed Income Securities</b>	<u>27,724,475</u>	<u>28,709,762</u>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<u>\$ 71,897,433</u>	<u>78,799,734</u>	

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - Park Fund  
September 30, 2019

<b>Mutual Funds</b>	<u>Cost</u>	<u>Fair Value</u>
Templeton GI Bond Adv	\$ 1,131,983	934,081
<b>Total Mutual Funds</b>	<u>1,131,983</u>	<u>934,081</u>
<b>Equities</b>		
<b>Domestic Common Stock</b>		
Abbott Laboratories Ord	10,090	14,642
Adobe System Ord	6,517	12,984
Alcon Ord	19,360	19,828
Alibaba Group Holding ADR Rep 1	15,109	14,215
Allstate Ord	29,921	31,517
Alphabet CL A Ord	33,041	47,624
Amazon Com Ord	22,429	53,813
American Express Ord	24,226	26,613
American Tower Reit	23,170	24,324
Apple Ord	45,302	69,431
AT&T Ord	34,313	39,164
Becton Dickinson Ord	14,297	17,707
Boeing Ord	44,813	50,222
Boston Scientific Ord	14,583	25,635
CVS Health Ord	13,548	13,560
Capital One Financial Ord	12,608	12,737
Chevron Ord	23,112	25,499
Cisco Systems Ord	19,274	22,976
Citigroup Ord	39,278	39,376
Coca-Cola Ord	13,093	16,332
Comcast CL A Ord	30,255	32,908
Conocophillips Ord	14,905	12,821
Dollar General Ord	18,435	30,199
Eli Lilly Ord	12,880	13,979
Facebook CL A Ord	25,155	26,712
Home Depot Ord	9,322	26,682
Honeywell International Ord	20,170	27,072
Johnson & Johnson Ord	17,718	17,466
JPMorgan Chase Ord	25,548	42,957
McDonald's Ord	16,692	19,324
Merck & Co Ord	18,801	19,361
Microsoft Ord	32,508	85,503
Micron Technology Ord	9,875	9,641
Netflix Ord	9,909	7,761
Nike CL B Ord	18,450	22,541
Norfolk Southern Ord	38,548	37,729
Nvidia Ord	13,240	17,407
Palo Alto Networks Ord	17,048	17,326
Paypal Holdings Ord	24,844	28,487
Philip Morris International Ord	13,482	14,047
Procter & Gamble Ord	11,003	15,548
Progressive Ord	9,193	9,270
Qualcomm Ord	13,769	14,112
Salesforce.com Ord	9,521	13,360
TJX Ord	12,665	17,279
Twitter Ord	9,564	10,712
United HealthGrp Ord	8,539	15,212
Vertex Pharmaceuticals Ord	13,296	15,248
	<u>933,419</u>	<u>1,198,863</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - Park Fund  
September 30, 2019

	Cost	Fair Value
<b>Equities, Continued</b>		
<b>Domestic Common Stock, Continued</b>		
Visa CL A Ord	\$ 24,453	43,863
Walt Disney Ord	20,933	23,458
Walmart Ord	21,441	25,515
	66,827	92,836
<b>Subtotal - Atalanta</b>	1,000,246	1,291,699
Acadia Healthcare Company Ord	26,061	18,026
Adobe System Ord	15,916	60,223
Alcon Ord	24,825	26,359
Allegion Ord	33,174	32,857
Ameriprise Finance Ord	21,821	33,833
Amgen Ord	30,666	36,960
Ansys Ord	21,663	51,134
Banco Bilbao Vizcaya Argentaria	28,297	19,016
Bank of America Ord	22,932	42,588
BOK Financial Ord	8,682	12,665
Capital One Financial Ord	24,418	28,022
Chubb Ord	22,008	30,189
Coca-Cola Ord	31,280	40,558
Cullen Frost Bankers Ord	15,411	18,596
Danaher Ord	29,425	54,306
East West Bancorp Ord	23,435	19,000
Equity Lifestyle Prop Reit Ord	15,203	23,113
General Dynamics Ord	19,797	31,064
Halliburton Ord	38,298	11,047
Home Depot Ord	14,319	40,604
Johnson Controls International	28,131	34,146
JPMorgan Chase Ord	12,953	26,480
Lennar Cl A Ord	22,794	30,438
Lennar Cl B Ord	356	437
Martin Marietta Materials Ord	18,892	41,116
Medtronic Ord	27,702	39,103
Microchip Technology Ord	19,069	41,810
Microsoft Ord	20,726	68,820
Mitsubishi Ufj FncI Grp Ads Rep	16,495	13,387
Natl Fuel Gas Ord	26,432	20,036
Novartis Adr Repsg 1 Ord	28,316	29,633
Oshkosh Ord	21,782	30,320
Parker Hannifin Ord	30,989	33,053
Paypal Holdings Ord	12,539	43,509
Phillips 66 Ord	24,180	30,720
Pioneer Natural Resource Ord	25,202	15,092
PPG Industries Ord	30,005	34,368
Sony Adr Rep 1 Ord	29,439	34,887
Sun Communities Reit Ord	15,101	24,494
Twitter Ord	26,115	32,836
Tyson Foods CL A Ord	32,450	34,198
Unilever Adr Rep 1 Ord	22,164	30,315
Walgreen Boots Alliance Ord	25,452	19,082
	984,915	1,338,440
<b>Subtotal - Aristotle</b>	984,915	1,338,440
<b>Total Domestic Common Stock</b>	1,985,161	2,630,139

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
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Schedule of Investments - Park Fund  
September 30, 2019

Equities, Continued	Cost	Fair Value
<b>International Common Stock</b>		
58.com Adr Rep 2 Cl A Ord	\$ 5,921	3,698
ABB Adr Rep 1 Ord	6,599	6,629
ABN Amro BK Amstm Brh Un Adr Rep Ord	4,934	4,814
Accenture Cl A Ord	7,244	11,349
Alcon Ord	1,417	2,041
Anheuser Busch Adr Rep 1 Ord	14,303	12,845
Aon Cl A Ord	8,011	14,131
Assa Abloy Adr	9,657	10,730
Atos Origin Adr	2,058	1,833
BB Seguridade Participacoes Adr	7,088	5,895
BHP Group Adr	3,428	5,827
Canadian National Railway Ord	3,617	5,211
Carlsberg As Sponsored Represent Adr	5,383	6,948
Compagnie Financiere Richemont U Adr	4,407	5,015
Compass Group Adr	5,188	7,041
Contl Adr	4,391	3,927
Daiwa House Industry Adr Rep Ord	7,134	8,759
DBS Group Holdings Adr	5,852	7,882
Enn Energy Holdings Adr	5,358	5,214
Engie Sponsored Adr	9,795	10,827
Equinor Asa	4,909	5,382
Ferguson Adr	3,949	4,842
Genmab 10 Spon Adr Rep Ord	2,966	2,938
Grupo Financiero Banorte Adr	5,647	4,794
Icici Bank Adr Rep 2 Ord	4,379	5,895
KAO UNSPON ADR REP 1/5 ORD	5,056	5,851
Kasikornbank Public Adr	3,395	3,142
Komatsu Adr	7,821	6,641
Lonza Group Adr	6,252	6,632
Makita Adr Rep 1 Ord	7,250	7,204
Medtronic Ord	13,345	17,162
MR Price Group Adr	2,715	2,380
Naspers Spon 5 Adr Rep CL N Ord	7,684	5,086
Nordea Bank Abp Sponsored Finlan Adr	10,858	6,894
Novartis Adr Repsg 1 Ord	12,438	15,555
Ping An Insurance Group Company Adr	10,927	12,429
PROSUS SPONSORED 5 ADR REP ORD	2,577	2,467
Prudential Adr Repstg 2 Ord	12,582	12,045
PT TLKMNK TBK ADR REP 100 SRS B ORD	3,513	4,998
Red Electrica Corporacion Adr	4,699	4,409
Relx Adr Rep Ord	10,035	10,935
ROYAL DSM NV SPONSORED NETHERLAN ADR	5,103	5,657
Royal Dutch Shell Adr Rep 2 Cl A Ord	14,702	15,654
Ryanair Holdings Ord	6,917	5,045
Ryohin Keikaku Adr Rep Ord	6,064	5,191
Safran Adr	10,555	14,921
Sampo Oyj Unsponsored Representi Adr	9,243	8,213
Saneamen Sao Pau Adr Rep 1 Ord	2,025	3,243
SANOFI ADR REP 1 1/2 ORD	11,137	11,768
	<u>330,528</u>	<u>357,989</u>

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - Park Fund  
September 30, 2019

	Cost	Fair Value
<b>Equities, Continued</b>		
<b>International Common Stock, Continued</b>		
Sanlam Adr	\$ 3,516	3,905
SAP Adr Rep 1 Ord	11,655	15,323
SHIN ETSU CHEMICAL ADR	6,300	6,926
Sumitomo Mit Adr Rep 1/5th of Ord	6,540	7,524
Suncor Energy Ord	10,947	10,542
Suzuki Motor Adr Rep 4 Ord	6,075	5,093
Taiwan Semiconductor Mnftg Adr 5 Ord	5,358	11,713
Telenor Asa Adr	8,254	9,443
Tencent Holdings Adr	3,986	3,622
UBI Soft Entertainme Adr Rep 1/5 Ord	4,459	3,689
Unilever Adr Rep 1 Ord	7,166	9,796
Vinci Adr	3,749	5,710
Vivendi Adr	9,707	10,267
VOLKSWAGEN 10 UNSPON ADR REP PRF	11,227	10,872
Wolters Kluwer N V Ord Adr	4,473	8,617
Yandex CL A Ord	4,642	5,006
ZOZO ADR	2,607	3,002
	110,661	131,050
<b>Total International Common Stock - Lazard</b>	<b>441,189</b>	<b>489,039</b>
<b>Real Estate Investment Trusts</b>		
Alexander and Baldwin Ord	13,984	15,049
Alexandria Real Estate Eq Reit	39,378	55,300
American Tower Reit	16,961	27,862
Americold Realty Ord	17,550	25,430
Boston Properties Reit Ord	46,981	50,697
Camden Property Reit Ord	42,206	49,843
Coresite Realty Reit Ord	15,849	19,496
Cubesmart Reit Ord	25,709	30,223
Cyrusone Reit Ord	13,405	14,950
Diamondrock Hospitality Reit Ord	21,422	21,679
Duke Realty Reit Ord	26,734	31,830
Equinix Reit Ord	56,322	77,868
Equity Residential Reit Ord	65,671	83,241
Essex Property Reit Ord	39,213	51,937
Extra Space Storage Reit Ord	37,913	51,634
HCP Reit Ord	47,379	54,264
Healthcar Trst of Am Cl A Reit	19,449	19,273
Highwoods Properties Reit Ord	19,664	18,380
Hilton Worldwide Holdings Ord	17,673	17,598
Invitation Homes Ord	24,032	26,975
JBG Smith Properties Ord	23,115	24,428
Kilroy Realty Reit Ord	38,386	43,385
Kimco Realty Reit Ord	33,049	34,494
MGM Growth Properties CL A Ord	20,516	20,915
Paramount Group Reit Ord	12,849	12,135
Pebblebrook Hotel Reit Ord	30,572	26,373
Prologis Reit	58,195	94,850
Regency Centers Reit Ord	33,481	33,911
Simon Prop Grp Reit Ord	96,402	82,495
Sun Communities Reit Ord	24,453	43,051
Terreno Realty Reit Ord	14,103	18,392
Ventas Reit Ord	36,947	47,326
<b>Total Real Estate Investment Trusts - Adelante</b>	<b>1,029,563</b>	<b>1,225,284</b>

See accompanying independent auditor's report.



**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - Park Fund  
September 30, 2019

	Cost	Fair Value	Ratings
<b>Global Listed Infrastructure</b>	\$ 883,013	892,423	
<b>Total Global Listed Infrastructure</b>	<u>883,013</u>	<u>892,423</u>	
<b>Total Equities</b>	<u>4,338,926</u>	<u>5,236,885</u>	
<b>Fixed Income Securities</b>			
<b>Mortgage &amp; Asset Backed Securities</b>			
Federal Home Loan Banks @ 2.012%, due 05/08/2020	74,983	74,938	AA+
Federal Home Loan Banks @ 2.010%, due 12/18/2020	160,000	159,771	AA+
Federal Home Loan Banks @ 2.178%, due 01/14/2021	150,000	149,844	AA+
Federal Home Loan Banks @ 2.032%, due 09/13/2021	130,000	131,309	AA+
FH G60134 @ 4.500%, due 06/01/2036	51,166	50,766	AA+
<b>Total Mortgage &amp; Asset Backed Securities - Garcia Hamilton</b>	<u>566,149</u>	<u>566,628</u>	
<b>Government Bonds</b>			
United States Treasury @ 6.250%, due 05/15/2030	122,151	130,993	AA+
United States Treasury @ 2.875%, due 08/15/2045	119,156	144,088	AA+
United States Treasury @ 2.500%, due 05/15/2046	322,093	377,477	AA+
<b>Total Government Bonds - Garcia Hamilton</b>	<u>563,400</u>	<u>652,558</u>	
<b>Corporate Bonds</b>			
American Express Credit Card Corp @ 2.838% , due 03/03/2022	110,912	111,101	A-
Apple Inc @ 2.684%, due 02/09/2022	75,450	75,724	AA+
Bank of America Corp @3.283%, due 04/24/2023	85,595	85,770	A-
Bank of America Corp @2.917%, due 03/05/2024	50,096	50,093	A-
Bank of New York Mellon Corp @2.917%, due 03/05/2024	126,225	125,739	A
BB&T Corp @ 2.969%, due 04/01/2022	35,398	35,328	A-
Citigroup Inc @ 3.224%, due 05/17/2024	60,292	60,564	BBB+
Citigroup Inc @ 3.161%, due 06/01/2024	75,482	75,548	BBB+
Comcast Corp @2.9335, due 04/15/2024	100,216	100,634	A-
Consolidated Edison Company of New York Inc @2.506%, due 06/25/2021	110,495	110,530	A-
Goldman Sachs Group Inc @3.717%, due 11/29/2023	76,548	77,841	BBB+
Goldman Sachs Group Inc @3.814%, due 04/23/2029	37,228	42,309	BBB+
Intel Corp @2.531%, due 05/11/2022	90,204	90,573	A+
John Deere Capital Corp @ 2.582%, due 09/08/2022	60,040	60,143	A
JPMorgan Chase & Co @3.513%, due 10/24/2023	86,410	86,969	A-
JPMorgan Chase & Co @ 3.540%, due 05/01/2028	42,741	47,292	A-
Merck & Co Inc @ 2.556%, due 02/10/2020	90,543	90,602	A+
Morgan Stanley @ 3.591%, due 07/22/2028	37,811	42,029	BBB+
Morgan Stanley @ 3.683%, due 10/24/2023	90,480	91,849	BBB+
Pepsico Inc @ 2.833%, due 10/06/2021	35,511	35,457	A
Pepsico Inc @ 2.631%, due 05/02/2022	94,900	95,353	A
Suntrust Bank @ 2.856%, due 08/02/2022	40,018	40,087	BBB+
United Parcel Service Inc @ 2.548%, due 05/16/2022	60,083	60,254	A
Walt Disney Co @2.523%, due 03/04/2022	30,284	30,213	A
Wells Fargo & Co @3.486%, due 10/31/2023	73,321	73,469	A-
<b>Subtotal - Garcia Hamilton</b>	<u>1,776,283</u>	<u>1,795,471</u>	
ADT Corp @ 4.125%, due 06/15/23	9,688	10,030	BB-
Allegheny Ludlum Corporation @6.950% , due 12/15/2025	10,406	10,413	B-
American Axle And Manufacturing Inc @ 6.25%, due 04/01/25	10,299	9,769	B
Amerigas Partners LP @ 5.875%, Due 08/20/26	10,000	10,966	BB-
Ball Corp @ 5.25%, due 07/01/25	10,175	11,122	BB+
Belo Corp @ 7.25%, due 09/15/27	10,393	11,386	BB-
Care Capital Properties LP @5.125%, due 08/15/2026	10,623	10,692	BB+
CCO Holdings LLC @ 5.25%, due 09/30/22	5,138	5,110	B+
Centene Corp @ 4.75%, due 01/15/25	9,936	10,245	BB+
	<u>86,658</u>	<u>89,733</u>	

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**  
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Schedule of Investments - Park Fund  
September 30, 2019

	Cost	Fair Value	Ratings
<b>Fixed Income Securities, Continued</b>			
<b>Corporate Bonds, Continued</b>			
Centurylink Inc @ 6.45%, due 06/15/21	\$ 9,560	10,216	B
Clearwater Paper Corp @ 4.50%, due 02/01/23	9,323	9,949	BB-
Cliffs Natural Resources Inc @5.750%, due 03/01/2025	10,049	9,826	B+
Columbia Healthcare Corporation @7.500%, due 12/15/2023	10,913	11,438	BB-
Commercial Metals Co @ 5.375%, due 07/15/27	9,400	10,067	BB
Consolidated Communications Finance II Co. @ 6.50%, due 10/01/22	9,413	9,111	CCC+
Covanta Holding Corp @ 5.875%, due 07/01/25	9,928	10,415	B
CSC Holdings LLC @ 6.75%, due 11/15/21	9,677	10,584	B-
DCP Midstream Operating LP @ 3.875%, due 03/15/23	9,150	9,739	BB
Dell Computer Corporation @ 7.10%, due 04/15/28	11,050	11,723	BB-
Dish DBS Corp @ 5.125%, due 05/01/20	10,325	10,378	B-
Equinix Inc @ 5.375%, due 01/01/22	10,366	10,442	BB
Genesis Energy LP @ 6.50%, due 10/01/25	9,900	9,733	B+
Geo Group Inc @ 5.125%, due 04/01/23	9,090	8,252	B+
GLP Capital LP @ 5.375%, due 04/15/26	10,119	11,034	BB+
Griffon Corp @ 5.25%, due 03/01/22	9,587	9,841	B
H&E Equipment Services Inc @ 5.625%, due 09/01/25	8,002	8,235	B
Icahn Enterprises LP @ 6.375%, due 12/15/25	10,061	10,524	BB-
Istar Inc @ 6.00%, due 04/01/22	10,075	10,320	BB-
L Brands Inc @ 5.625%, due 02/15/22	7,354	7,555	BB
Lennar Corp @ 4.75%, due 11/15/22	10,175	10,605	BB+
Liberty Media Corporation @ 8.500%, due 07/15/2029	10,175	10,652	B
Mercer International Inc @ 6.50%, due 02/01/24	10,600	10,482	BB-
Meredith Corp @ 6.875%, due 02/01/2026	10,420	10,183	B-
MPT Operating Partnership, L.P @5.250%, due 08/01/2026	10,493	10,481	BB+
National Cinemedia LLC @ 5.75%, due 08/15/26	9,400	9,635	B-
Navient Corp @ 6.50%, due 06/15/22	10,300	10,779	B+
NGL Energy Partners LP @ 6.125%, 03/01/25	9,478	9,453	B
Oxford Finance LLC @ 6.375%, due 12/15/22	8,240	8,372	B
Park-Ohio Industries Inc @6.6255, due 04/15/2027	9,900	9,546	B-
Penske Automotive Group Inc @ 5.50%, due 05/15/26	9,900	10,431	B+
Pitney Bowes Inc @ 3.625%, due 10/01/21	9,275	9,716	BB
Precision Drilling Corp @7.750%, due 12/15/2023	10,153	9,922	B
Quadgraphics Inc @ 7.00%, due 05/01/22	9,738	10,070	B
Rose Rock Midstream LP @5.625%, due 07/15/2022	9,900	10,141	B-
Sonic Automotive Inc @ 6.125%, due 03/15/2027	9,141	10,122	B
Springleaf Finance Corp @6.125%, due 03/15/2024	10,215	10,783	BB-
Sprint Nextel Corp @ 6.00%, due 11/15/22	10,688	10,894	B-
Suburban Propane Partners LP @ 5.875%, due 03/01/27	9,975	10,215	B+
SUNOCO LP @5.500%, due 02/15/2026	9,575	10,396	B+
Targa Resources Partners LP @ 5.25%, due 05/01/23	9,400	9,830	BB-
Tenneco Inc @ 5.375%, due 12/15/2024	8,796	8,694	B-
Transdigm Inc @ 6.375%, due 06/15/2026	10,573	10,530	B-
Transmontaigne Partners LP @ 6.125%, due 02/15/26	10,038	9,631	B-
Tri Pointe Group Inc @ 5.25%, due 06/01/27	10,000	10,025	BB-
UAL 05ERJ1 A1 @ 9.798%, due 04/01/21	2,289	2,295	BB
United Rentals (North America) Inc @ 4.625%, due 07/15/23	9,920	10,184	BB+
Wesco Distribution Inc @ 5.375%, due 06/15/24	10,475	10,421	B+
	<u>462,572</u>	<u>473,870</u>	
<b>Subtotal - Chartwell</b>	<u>549,230</u>	<u>563,603</u>	
<b>Total Corporate Bonds</b>	<u>2,325,513</u>	<u>2,359,074</u>	
<b>Total Fixed Income Securities</b>	<u>3,455,062</u>	<u>3,578,260</u>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<u>\$ 8,925,971</u>	<u>9,749,226</u>	

See accompanying independent auditor's report.

**MARIANAS PUBLIC LAND TRUST**

(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statement of Operating Expenses Compared to Budget  
Year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Money manager fees	\$ 336,868	336,868	337,859	(991)
Money management administration	203,777	203,777	203,947	(170)
Consultancy fees	142,701	142,701	142,828	(127)
Salaries and benefits	139,982	139,982	165,535	(25,553)
Contract services	72,000	72,000	72,000	-
Office supplies	62,567	62,567	64,427	(1,860)
Trustees' expenses	65,690	65,690	69,062	(3,372)
Depreciation	37,732	37,732	36,909	823
Professional fees	63,842	63,842	63,573	269
Loan administration fee	30,124	30,124	30,078	46
Audit	14,906	14,906	15,000	(94)
Rent and utilities	8,865	8,865	9,117	(252)
Repairs and maintenance	982	982	900	82
Total	<u>\$ 1,180,036</u>	<u>1,180,036</u>	<u>1,211,235</u>	<u>(31,199)</u>

See accompanying independent auditor's report.