

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

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

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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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, 2020 and 2019

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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 statements of financial position as of September 30, 2020 and 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the years 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 audits. We conducted our audits 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, 2020 and 2019, and the changes in its net position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

We draw attention to Note 10, 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 4 through 11 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 39 through 41), the Schedules of Investments - General Fund and Park Fund (pages 42 through 59) and the Schedule of Administrative Expenses Compared to Budget (page 60) 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 September 9, 2021, 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.



Saipan, MP
September 9, 2021



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, 2020. 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>\$ 25,942,602</u>

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Management's Discussion and Analysis, continued

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

Distributions Received From MPLA

<u>Date</u>	<u>Amount</u>
May 11, 1991	\$ 500,000
December 20, 1991	500,000
Sub-total	1,000,000

Distributions Received From DPL

<u>Date</u>	<u>Amount</u>
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	567,508
Sub-total	21,549,384
Total	\$ 22,549,384

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.

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Management's Discussion and Analysis, continued

Financial Highlights

The following financial highlights are taken from the audited financial statements for the years ended September 30, 2020, and 2019.

- The assets of MPLT increased in 2020 by \$3,694,563 over the amount at 2019. This was due primarily to the increase of the fair market value of the investments.
- Total liabilities for 2020 increased by \$513,907 from 2019 due primarily to net changes to amounts due to brokers, accounts payable and accrued expenses.
- The above changes resulted in an increase of \$3,180,656 in total fund balance for 2020.
- 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 2020 and 2019 were \$6,296,529 and \$5,990,526, respectively.
- The total performance of MPLT for 2020 and 2019 was 5.8% and 5.7%, respectively.
- The overall administrative costs for 2020 decreased by \$105,291 or 9%, under the amount of 2019. This was due primarily to the decrease of service fee for money management administration which has an annual cost of approximately \$200,000.

MPLT General Fund Operations

The investment income (excluding net increase in fair value of investment) for 2020 and 2019 was \$3,258,240 and \$3,730,074, respectively.

Distributions to the CNMI General Fund paid for 2020 and 2019 were \$2,009,929 and \$2,265,081, respectively. The cumulative amount distributed to the CNMI General Fund since inception in 1983 has been \$65,565,782. This has occurred while growing the principal fund by \$51,358,743 for the same time-period. MPLT's General Fund's annual returns for both 2020 and 2019 was 5.8%.

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, 2020 (net current value is \$2,677,964).

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Management's Discussion and Analysis, continued

Commencing in FY 2019, MPLT established a term loan with the Commonwealth Health Center Corporation (CHCC) in the amount of \$2,850,000 to secure a repayment method for the revolving lines of credit advanced to it from prior years. The terms of this loan required monthly payments of \$53,783 over a five-year period at an interest rate of 5%. When CHCC was established as an autonomous entity, it lacked sufficient working capital. To alleviate this dire situation, MPLT establish a revolving annual line of credit in the amount of \$3,000,000. Since this time, CHCC has consistently made the monthly payment on the term loan. The balance of the term loan currently is \$1,840,622. Additionally, another loan to CHCC was made in the amount of \$328,655 to establish an electronic health record system. This additional loan was repaid leaving only the current term loan.

During FY 2019, the CNMI was hit by Super Typhoon Yutu causing widespread damage inflicting substantial costs well beyond the normal operating cost of the government. To pay emergency disaster relief and recovery expenses incurred by the Commonwealth because of this devastation, a loan was approved by the Legislature to authorize the borrowing of \$15 million from MPLT at the rate of 7.5%. The loan is to be repaid from the annual distribution MPLT makes to the CNMI General Fund. The period of the loan was established to be the length of time necessary to accomplish the repayment as the annual distribution is not known. The balance of this loan currently is \$12,675,319.

General Fund Condensed Financial Statements Summaries

STATEMENTS OF NET POSITION

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets	\$ 5,413,418	4,256,694
Other assets, restricted	77,874,535	78,799,734
Notes receivable - noncurrent portion	14,942,609	11,956,684
Capital assets, net	<u>254,719</u>	<u>271,874</u>
 Total	 <u>\$ 98,485,281</u>	 <u>95,284,986</u>
<u>Liabilities and Net Position</u>		
Total liabilities	<u>\$ 634,552</u>	<u>103,392</u>
Net position:		
Net investment in capital assets	254,719	271,874
Restricted	<u>97,596,010</u>	<u>94,909,720</u>
Net position	<u>97,850,729</u>	<u>95,181,594</u>
 Total	 <u>\$ 98,485,281</u>	 <u>95,284,986</u>

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Management's Discussion and Analysis, continued

General Fund Condensed Financial Statements Summaries, continued

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>
Total operating revenues	\$ 5,685,594	5,480,695
Total operating expenses	(1,006,530)	(1,098,926)
Other nonoperating expenses	<u>(2,009,929)</u>	<u>(2,265,081)</u>
Change in net position	2,669,135	2,116,688
Net position at beginning of year	<u>95,181,594</u>	<u>93,064,906</u>
Net position at end of year	<u><u>\$ 97,850,729</u></u>	<u><u>95,181,594</u></u>

STATEMENTS OF CASH FLOWS

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities	\$ 2,540,821	8,510,480
Cash flows from capital and related financing activities	(9,599)	(3,976)
Cash flows from investing activities	<u>(1,269,171)</u>	<u>(10,216,233)</u>
Net increase (decrease) in cash and cash equivalents	1,262,051	(1,709,729)
Cash and cash equivalents at beginning of year	<u>1,637,305</u>	<u>3,347,034</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,899,356</u></u>	<u><u>1,637,305</u></u>

The statements above are inclusive of amounts due from the Park Fund of \$5,273 that are eliminated in the accompanying financial statements.

Capital Assets

At September 30, 2020 and 2019, MPLT had \$254,719 and \$271,874, respectively, in capital assets, net of accumulated depreciation where applicable, including furniture, fixtures and equipment, vehicles and land, which represent a net decreases in 2020 of \$17,155 and in 2019 of \$32,933. 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 2020 and 2019 was 5.9% and 5.1%, 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.

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Management's Discussion and Analysis, continued

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 \$10,140,619.

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.

Park Fund Condensed Financial Statements Summaries

STATEMENTS OF NET POSITION

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets	\$ 268,568	217,771
Other assets, restricted	10,184,591	9,749,226
Total	\$ <u>10,453,159</u>	<u>9,966,997</u>
<u>Liabilities and Net Position</u>		
Total liabilities	\$ <u>25,969</u>	<u>51,328</u>
Net position:		
Restricted	<u>10,427,190</u>	<u>9,915,669</u>
Net position	<u>10,427,190</u>	<u>9,915,669</u>
Total	\$ <u>10,453,159</u>	<u>9,966,997</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2020</u>	<u>2019</u>
Total operating revenues	\$ 610,935	509,831
Total operating expenses	(99,414)	(112,309)
Other nonoperating expenses	<u>-</u>	<u>(115,494)</u>
Change in net position	511,521	282,028
Net position at beginning of year	<u>9,915,669</u>	<u>9,633,641</u>
Net position at end of year	\$ <u>10,427,190</u>	<u>9,915,669</u>

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Management's Discussion and Analysis, continued

STATEMENTS OF CASH FLOWS

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities	\$ 147,106	244,306
Cash flows from investing activities	<u>(69,420)</u>	<u>(264,252)</u>
Net increase (decrease) in cash and cash equivalents	77,686	(19,946)
Cash and cash equivalents at beginning of year	<u>155,646</u>	<u>175,592</u>
Cash and cash equivalents at end of year	<u>\$ 233,332</u>	<u>155,646</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.

Economic Outlook

2020 economy was comparable to 2019, and MPLT continued to add value to the portfolio. The outlook for 2021 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 2020. 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, 2020 is set forth in the report on the audit of MPLT's financial statements, which is dated September 9, 2021. The Discussion and Analysis explains the major factors and context relating to the 2020 financial statements. If you have questions about this report or the 2020 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.

MARIANAS PUBLIC LAND TRUST
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Statements of Net Position

September 30, 2020 and 2019

<u>ASSETS</u>		
	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 3,132,688	1,792,951
Receivables:		
Notes, current portion	2,251,296	2,251,296
Accrued income	258,699	307,434
Other	18,999	61,796
Due from brokers	5,452	40,095
Prepaid expense	<u>9,579</u>	<u>7,514</u>
Total current assets	<u>5,676,713</u>	<u>4,461,086</u>
Other assets:		
Investments	<u>88,059,126</u>	<u>88,548,960</u>
Total other assets	<u>88,059,126</u>	<u>88,548,960</u>
Noncurrent assets:		
Notes receivable, net of current portion and allowance for loan losses	14,942,609	11,956,684
Capital assets, net	<u>254,719</u>	<u>271,874</u>
Total noncurrent assets	<u>15,197,328</u>	<u>12,228,558</u>
Total assets	<u>\$ 108,933,167</u>	<u>105,238,604</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	\$ 58,449	34,882
Due to brokers	590,139	83,903
Accrued expenses	<u>6,660</u>	<u>22,556</u>
Total liabilities	<u>655,248</u>	<u>141,341</u>
Commitment and contingency		
Net position:		
Net investment in capital assets	254,719	271,874
Restricted	<u>108,023,200</u>	<u>104,825,389</u>
Total net position	<u>108,277,919</u>	<u>105,097,263</u>
Total liabilities and net position	<u>\$ 108,933,167</u>	<u>105,238,604</u>

See accompanying notes to financial statements.

MARIANAS PUBLIC LAND TRUST
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Statements of Revenues, Expenses and Changes in Net Position

Years Ended September 30, 2020 and 2019

	2020	2019
Operating revenues:		
Investment income, net	\$ 2,207,126	3,395,132
Net increase in fair value of investments	3,035,082	2,257,723
Interest income from notes receivable	1,051,114	334,942
Other	3,207	2,729
Total operating revenues	6,296,529	5,990,526
Operating expenses:		
Money manager fees	402,150	337,859
Salaries and benefits	152,330	165,535
Consultancy fees	145,181	142,828
Conference travel	95,321	-
Contract services	72,000	72,000
Loan administration fee	68,150	30,078
Office expense	54,885	64,427
Professional fees	48,626	63,573
Depreciation	26,754	36,909
Trustees' expenses	17,453	69,062
Audit	12,000	15,000
Rent and utilities	7,889	9,117
Repairs and maintenance	3,205	900
Money management administration	-	203,947
Total operating expenses	1,105,944	1,211,235
Operating income	5,190,585	4,779,291
Other nonoperating expenses:		
Net distribution to the CNMI General Fund/ American Memorial Park	(2,009,929)	(2,380,575)
Total nonoperating expenses	(2,009,929)	(2,380,575)
Change in net position	3,180,656	2,398,716
Net position at beginning of year	105,097,263	102,698,547
Net position at end of year	\$ 108,277,919	105,097,263

See accompanying notes to financial statements.

MARIANAS PUBLIC LAND TRUST

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Statements of Cash Flows
September 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from operations	\$ 3,788,265	9,936,472
Cash payments to suppliers and employees for goods and services	<u>(1,100,338)</u>	<u>(1,181,686)</u>
Net cash provided by operating activities	<u>2,687,927</u>	<u>8,754,786</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(9,599)</u>	<u>(3,976)</u>
Net cash used for capital and related financing activities	<u>(9,599)</u>	<u>(3,976)</u>
Cash flow from investing activities:		
Net decrease (increase) in notes receivable	(2,985,925)	(10,267,044)
Net decrease (increase) in investments	<u>1,647,334</u>	<u>(213,441)</u>
Net cash used for investing activities	<u>(1,338,591)</u>	<u>(10,480,485)</u>
Net increase (decrease) in cash and cash equivalents	1,339,737	(1,729,675)
Cash and cash equivalents at beginning of year	<u>1,792,951</u>	<u>3,522,626</u>
Cash and cash equivalents at end of year	<u>\$ 3,132,688</u>	<u>1,792,951</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,190,585	4,779,291
Adjustments to reconcile operating income to net cash provided by operating activities:		
Net (increase) decrease in fair value of investments	(3,035,082)	(2,257,723)
Noncash interest income	(132,347)	(104,370)
Depreciation	26,754	36,909
(Increase) decrease in assets:		
Receivable - Department of Public Lands	-	6,327,685
Receivable - accrued income	48,735	(10,483)
Other receivable	42,797	2,849
Due from brokers	34,643	(21,597)
Prepaid expense	(2,065)	2,294
Increase (decrease) in liabilities:		
Accounts payable	23,567	(26,118)
Payable to brokers	506,236	7,343
Accrued expenses	<u>(15,896)</u>	<u>18,706</u>
Net cash provided by operating activities	<u>\$ 2,687,927</u>	<u>8,754,786</u>
Supplemental schedule of noncash operating, financing and investing activities:		
MPLT applied \$2,009,929 and \$2,265,081 of the required income distribution to the CNMI General Fund for the years ended September 30, 2020 and 2019, respectively, as a repayment of the CNMI's note receivable and related interest		
Decrease in notes receivable	\$ (1,877,582)	(2,162,961)
Increase in interest expense	(132,347)	(102,120)
Increase in net contribution	<u>2,009,929</u>	<u>2,265,081</u>
	<u>\$ -</u>	<u>-</u>
MPLT applied \$- and \$115,494 of the required income distribution to the American Memorial Park for for the years ended September 30, 2020 and 2019, respectively, as a repayment of CDA's note receivable and related interest		
Decrease in notes receivable	\$ -	(113,244)
Increase in interest expense	-	(2,250)
Increase in net contribution	-	<u>115,494</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, 2020 and 2019

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

Notes to Financial Statements
September 30, 2020 and 2019

(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, 2020 and 2019 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, 2020 and 2019, 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, 2020 and 2019, total cash and cash equivalents was \$3,132,688 and \$1,792,951, respectively, and the corresponding bank balances were \$203,180 and \$344,523, respectively, which were maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance.

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

Notes to Financial Statements
September 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, continued

At September 30, 2020 and 2019, unrestricted cash and cash equivalents consisted of the following:

	<u>2020</u>	<u>2019</u>
Custodian money market sweep deposits	\$ 2,929,508	\$ 1,448,428
Deposit with federally insured banks	<u>203,180</u>	<u>344,523</u>
	<u>\$ 3,132,688</u>	<u>\$ 1,792,951</u>

As of September 30, 2020 and 2019, custodian money market sweep deposits of \$2,929,508 and \$1,448,428, 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, 2020 and 2019, MPLT's investment in U.S. government bonds constituted 5% and 6%, respectively, of its total investments.

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

Notes to Financial Statements
September 30, 2020 and 2019

(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, 2020 and 2019 (with combining information as of September 30, 2020) are as follows:

	<u>General Fund</u>	<u>Park Fund</u>	<u>2020</u>	<u>2019</u>
Mutual funds	\$ -	\$ -	\$ -	\$ 8,871,912
Equities:				
Domestic common stock	24,977,284	3,014,510	27,991,794	24,483,308
International common stock	4,322,301	578,224	4,900,525	4,610,454
Infrastructure	8,329,802	1,028,549	9,358,351	6,512,455
Real estate investment trusts	8,347,434	1,031,109	9,378,543	11,782,809
Fixed income securities:				
Mortgage and asset backed securities	6,284,886	905,126	7,190,012	4,888,734
Government bonds	1,662,245	307,972	1,970,217	5,513,417
Corporate bonds	14,151,343	2,028,823	16,180,166	21,885,871
Convertible bonds	9,799,240	1,290,278	11,089,518	-
	<u>\$ 77,874,535</u>	<u>\$ 10,184,591</u>	<u>\$ 88,059,126</u>	<u>\$ 88,548,960</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, 2020 and 2019.

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

Notes to Financial Statements
September 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Investments, continued

Investment type	Fair Value	2020				Credit Rating
		Investment Maturities (In Years)				
		Less than 1	1-5	6-10	More than 10	
Mortgage and asset backed securities	\$ 7,190,012	-	6,306,278	-	883,734	AA+
Government bonds	1,970,217	-	-	1,970,217	-	AA+
Convertible funds	11,089,518	-	-	11,089,518	-	AA+
Corporate bonds	1,727,526	-	1,410,575	316,951	-	A
Corporate bonds	5,547,318	-	100,697	5,339,488	107,133	A-
Corporate bonds	3,864,863	-	-	3,749,965	114,898	BBB+
Corporate bonds	689,440	-	395,101	294,339	-	B-
Corporate bonds	686,438	-	417,138	269,300	-	B
Corporate bonds	951,139	-	598,084	353,055	-	B+
Corporate bonds	378,184	-	189,112	100,197	88,875	BB
Corporate bonds	1,304,717	-	551,283	753,434	-	BB-
Corporate bonds	660,292	-	276,601	383,691	-	BB+
Corporate bonds	286,774	-	139,374	147,400	-	CCC+
Corporate bonds	83,475	-	83,475	-	-	CCC
Total	\$ 36,429,913	-	10,467,718	24,767,555	1,194,640	

MARIANAS PUBLIC LAND TRUST
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Notes to Financial Statements
September 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Investments, continued

Investment type	Fair Value	2019				Credit Rating
		Investment Maturities (In Years)				
		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+
Total	\$ 32,288,022	258,945	22,199,421	3,024,076	6,805,580	

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.

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

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:

Investments by fair value level	2020	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Debt securities:				
Mortgage and asset backed securities	\$ 7,190,012	-	7,190,012	-
Government bonds	1,970,217	1,970,217	-	-
Corporate bonds	16,180,166	-	16,180,166	-
Convertible bonds	11,089,518	-	11,089,518	-
Total debt securities	<u>36,429,913</u>	<u>1,970,217</u>	<u>34,459,696</u>	<u>-</u>
Equity securities:				
Domestic common stock	27,991,794	27,991,794	-	-
International common stock	4,900,525	4,900,525	-	-
Infrastructure	9,358,351	9,358,351	-	-
Real estate investment trusts	9,378,543	9,378,543	-	-
Total equity securities	<u>51,629,213</u>	<u>51,629,213</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 88,059,126</u>	<u>53,599,430</u>	<u>34,459,696</u>	<u>-</u>
Investments measured at net asset value				
Mutual funds	<u>\$ -</u>			

Investments by fair value level	2019	Fair Value Measurement Using		
		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	21,885,871	-	21,885,871	-
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	11,782,809	11,782,809	-	-
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>			

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

Notes to Financial Statements
September 30, 2020 and 2019

(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.

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Notes to Financial Statements
September 30, 2020 and 2019

(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:

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements
September 30, 2020 and 2019

(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. U.S. Treasury and U.S. government agencies, which are unrated securities, are qualified for inclusion in the portfolio.

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements
September 30, 2020 and 2019

(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.

MARIANAS PUBLIC LAND TRUST
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Notes to Financial Statements
September 30, 2020 and 2019

(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 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 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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Notes to Financial Statements
September 30, 2020 and 2019

(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.

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements
September 30, 2020 and 2019

(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.

MARIANAS PUBLIC LAND TRUST
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Notes to Financial Statements
September 30, 2020 and 2019

(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.

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

Notes to Financial Statements
September 30, 2020 and 2019

(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:

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements
September 30, 2020 and 2019

(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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Notes to Financial Statements
September 30, 2020 and 2019

(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, 2020 and 2019 were \$5,063 and \$4,171, respectively, equal to the required contributions for the year. These contributions are included in salaries and benefits expense in the accompanying financial statements.

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.

MARIANAS PUBLIC LAND TRUST
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Notes to Financial Statements
September 30, 2020 and 2019

(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, 2020 and 2019.

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 the 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.

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Notes to Financial Statements
September 30, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

New Accounting Pronouncements, Continued

This Statement addresses a variety of topics and includes specific 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 was effective for the fiscal year ending September 30, 2020. The implementation of this standard did not have a significant impact on MPLT's financial statements.

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 the fiscal year ending September 30, 2021.

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

(3) Notes Receivable

	<u>2020</u>	<u>2019</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.	\$ 4,951,964	5,254,456
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.	43,773	48,058 (continued)

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Notes to Financial Statements
September 30, 2020 and 2019

(3) Notes Receivable, Continued

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.

1,840,622 2,379,287

Note receivable from the CNMI Government, interest at 7.5% per annum due on September 1, 2024.

12,675,319 8,848,237

19,511,678 16,530,038

Less allowance for loan losses

(2,317,773) (2,322,058)

17,193,905 14,207,980

Less current portion

(2,251,296) (2,251,296)

Long-term portion

\$ 14,942,609 11,956,684

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

	<u>General Fund</u>	<u>Park Fund</u>	<u>2020</u>	<u>2019</u>
Balance - beginning of year	\$ 2,322,058	\$ -	\$ 2,322,058	\$ 3,395,388
Recovery of loan losses	(4,285)	-	(4,285)	(1,073,330)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance - end of year	<u>\$ 2,317,773</u>	<u>\$ -</u>	<u>\$ 2,317,773</u>	<u>\$ 2,322,058</u>

MARIANAS PUBLIC LAND TRUST
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Notes to Financial Statements
September 30, 2020 and 2019

(4) Capital Assets

A schedule of changes in capital assets as of September 30, 2020 and 2019 is as follows:

	<u>Balance at</u> 10/01/19	<u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance at</u> 9/30/20
Building	\$ 244,600	-	(104)	244,496
Furniture, fixtures and equipment	174,853	9,703	-	184,556
Vehicle	<u>62,724</u>	<u>-</u>	<u>(29,630)</u>	<u>33,094</u>
Total depreciable assets	482,177	9,703	(29,734)	462,146
Accumulated depreciation	<u>(363,303)</u>	<u>(26,754)</u>	<u>29,630</u>	<u>(360,427)</u>
	118,874	(17,051)	(104)	101,719
Land	<u>153,000</u>	<u>-</u>	<u>-</u>	<u>153,000</u>
Capital assets, net	<u>\$ 271,874</u>	<u>(17,051)</u>	<u>(104)</u>	<u>254,719</u>
	<u>Balance at</u> 10/01/18	<u>Additions</u>	<u>Transfers/</u> <u>Deletions</u>	<u>Balance at</u> 9/30/19
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>

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements September 30, 2020 and 2019

(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, 2020 and 2019, is summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>				
Balance at beginning of year	\$ 95,181,594	-	95,181,594	93,064,906
Net increase in the fair value of investments	2,669,135	-	2,669,135	2,116,688
Other operating net income	-	2,009,929	2,009,929	2,265,081
Transfers	-	(2,009,929)	(2,009,929)	(2,265,081)
Balance at end of year	<u>\$ 97,850,729</u>	<u>-</u>	<u>97,850,729</u>	<u>95,181,594</u>
<u>Park Fund</u>				
Balance at beginning of year	\$ 9,915,669	-	9,915,669	9,633,641
Net increase in the fair value of investments	511,521	-	511,521	141,035
Other operating net income	-	-	-	256,487
Transfers	-	-	-	(115,494)
	<u>\$ 10,427,190</u>	<u>-</u>	<u>10,427,190</u>	<u>9,915,669</u>

(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, 2020 and 2019, MPLT recorded \$2,009,929 and \$2,265,081, 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, 2020 and 2019, MPLT recorded \$-0- and \$115,494, 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.

MARIANAS PUBLIC LAND TRUST

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Notes to Financial Statements
September 30, 2020 and 2019

(8) 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.

(9) Contingency

In accordance with the Settlement Agreement with NMHC, MPLT guarantees Service Released Loans that were issued by financial institutions. At September 30, 2020 and 2019, MPLT was contingently liable to these institutions for \$371,832 and \$463,050, respectively.

(10) Coronavirus Pandemic

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.

(11) Subsequent Events

In preparing the accompanying financial statements and these footnotes, management has evaluated subsequent events through September 9, 2021, which is the date the financial statements were available to be issued. There were no such events requiring accrual or disclosure.

MARIANAS PUBLIC LAND TRUST
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Combining Statement of Net Position
September 30, 2020

	<u>General Fund</u>	<u>Park Fund</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 2,899,356	233,332	3,132,688	-	3,132,688
Receivables:					
Notes, current portion	2,251,296	-	2,251,296	-	2,251,296
Accrued income	228,915	29,784	258,699	-	258,699
Other	18,999	-	18,999	-	18,999
Due from other funds	5,273	-	5,273	(5,273)	-
Due from brokers	-	5,452	5,452	-	5,452
Prepaid expense	9,579	-	9,579	-	9,579
Total current assets	<u>5,413,418</u>	<u>268,568</u>	<u>5,681,986</u>	<u>(5,273)</u>	<u>5,676,713</u>
Other assets:					
Investments	<u>77,874,535</u>	<u>10,184,591</u>	<u>88,059,126</u>	<u>-</u>	<u>88,059,126</u>
Total other assets	<u>77,874,535</u>	<u>10,184,591</u>	<u>88,059,126</u>	<u>-</u>	<u>88,059,126</u>
Noncurrent assets:					
Notes receivable, net of current portion and allowance for loan losses	14,942,609	-	14,942,609	-	14,942,609
Capital assets, net	<u>254,719</u>	<u>-</u>	<u>254,719</u>	<u>-</u>	<u>254,719</u>
Total noncurrent assets	<u>15,197,328</u>	<u>-</u>	<u>15,197,328</u>	<u>-</u>	<u>15,197,328</u>
	<u>\$ 98,485,281</u>	<u>10,453,159</u>	<u>108,938,440</u>	<u>(5,273)</u>	<u>108,933,167</u>
<u>LIABILITIES AND NET POSITION</u>					
Current liabilities:					
Accounts payable	\$ 54,060	4,389	58,449		58,449
Due to other funds	-	5,273	5,273	(5,273)	-
Due to brokers	573,832	16,307	590,139	-	590,139
Accrued expenses	6,660	-	6,660	-	6,660
Total liabilities	<u>634,552</u>	<u>25,969</u>	<u>660,521</u>	<u>(5,273)</u>	<u>655,248</u>
Net Position:					
Net investment in capital assets	254,719	-	254,719	-	254,719
Restricted	<u>97,596,010</u>	<u>10,427,190</u>	<u>108,023,200</u>	<u>-</u>	<u>108,023,200</u>
Total net position	<u>97,850,729</u>	<u>10,427,190</u>	<u>108,277,919</u>	<u>-</u>	<u>108,277,919</u>
	<u>\$ 98,485,281</u>	<u>10,453,159</u>	<u>108,938,440</u>	<u>(5,273)</u>	<u>108,933,167</u>

See accompanying independent auditor's report.

MARIANAS PUBLIC LAND TRUST
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Combining Statement of Revenues, Expenses and Changes in Net Position

Year ended September 30, 2020

	General <u>Fund</u>	Park <u>Fund</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
Operating revenues:					
Investment income, net	\$ 1,962,323	244,803	2,207,126	-	2,207,126
Net increase in fair value of investments	2,669,137	365,945	3,035,082	-	3,035,082
Interest income from notes receivable	1,051,114	-	1,051,114	-	1,051,114
Other	<u>3,020</u>	<u>187</u>	<u>3,207</u>	<u>-</u>	<u>3,207</u>
Total operating revenues	<u>5,685,594</u>	<u>610,935</u>	<u>6,296,529</u>	<u>-</u>	<u>6,296,529</u>
Operating expenses:					
Money manager fees	357,548	44,602	402,150	-	402,150
Salaries and benefits	138,011	14,319	152,330	-	152,330
Consultancy fees	129,086	16,095	145,181	-	145,181
Conference travel	86,361	8,960	95,321	-	95,321
Contract services	65,232	6,768	72,000	-	72,000
Loan administration fee	68,150	-	68,150	-	68,150
Office expense	49,726	5,159	54,885	-	54,885
Professional fees	48,626	-	48,626	-	48,626
Depreciation	26,754	-	26,754	-	26,754
Trustees' expenses	15,812	1,641	17,453	-	17,453
Audit	10,872	1,128	12,000	-	12,000
Rent and utilities	7,147	742	7,889	-	7,889
Repairs and maintenance	<u>3,205</u>	<u>-</u>	<u>3,205</u>	<u>-</u>	<u>3,205</u>
Total operating expenses	<u>1,006,530</u>	<u>99,414</u>	<u>1,105,944</u>	<u>-</u>	<u>1,105,944</u>
Operating income	<u>4,679,064</u>	<u>511,521</u>	<u>5,190,585</u>	<u>-</u>	<u>5,190,585</u>
Other nonoperating expenses:					
Net distribution to the CNMI General Fund/ American Memorial Park	<u>(2,009,929)</u>	<u>-</u>	<u>(2,009,929)</u>	<u>-</u>	<u>(2,009,929)</u>
Total nonoperating expenses	<u>(2,009,929)</u>	<u>-</u>	<u>(2,009,929)</u>	<u>-</u>	<u>(2,009,929)</u>
Change in net position	2,669,135	511,521	3,180,656	-	3,180,656
Net position at beginning of year	<u>95,181,594</u>	<u>9,915,669</u>	<u>105,097,263</u>	<u>-</u>	<u>105,097,263</u>
Net position at end of year	<u>\$ 97,850,729</u>	<u>\$ 10,427,190</u>	<u>\$ 108,277,919</u>	<u>\$ -</u>	<u>\$ 108,277,919</u>

See accompanying independent auditor's report.

MARIANAS PUBLIC LAND TRUST
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Combining Statement of Cash Flows Information

Year Ended September 30, 2020

	<u>General Fund</u>	<u>Park Fund</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
Cash flows from operating activities:					
Cash received from operations	\$ 3,543,852	244,413	3,788,265	-	3,788,265
Cash paid to suppliers and employees for goods and services	<u>(1,003,031)</u>	<u>(97,307)</u>	<u>(1,100,338)</u>	<u>-</u>	<u>(1,100,338)</u>
Net cash provided by operating activities	<u>2,540,821</u>	<u>147,106</u>	<u>2,687,927</u>	<u>-</u>	<u>2,687,927</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	<u>(9,599)</u>	<u>-</u>	<u>(9,599)</u>	<u>-</u>	<u>(9,599)</u>
Net cash used for financing activities	<u>(9,599)</u>	<u>-</u>	<u>(9,599)</u>	<u>-</u>	<u>(9,599)</u>
Cash flow from investing activities:					
Net increase (decrease) in notes receivable	(2,985,925)	-	(2,985,925)	-	(2,985,925)
Net increase (decrease) in investments	<u>1,716,754</u>	<u>(69,420)</u>	<u>1,647,334</u>	<u>-</u>	<u>1,647,334</u>
Net cash used for investing activities	<u>(1,269,171)</u>	<u>(69,420)</u>	<u>(1,338,591)</u>	<u>-</u>	<u>(1,338,591)</u>
Net increase in cash and cash equivalents	1,262,051	77,686	1,339,737	-	1,339,737
Cash and cash equivalents at beginning of year	<u>1,637,305</u>	<u>155,646</u>	<u>1,792,951</u>	<u>-</u>	<u>1,792,951</u>
Cash and cash equivalents at end of year	<u>\$ 2,899,356</u>	<u>233,332</u>	<u>3,132,688</u>	<u>-</u>	<u>3,132,688</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 4,679,064	511,521	5,190,585	-	5,190,585
Adjustments to reconcile operating income to net cash provided by operating activities:					
Net increase in fair value of investments	(2,669,137)	(365,945)	(3,035,082)	-	(3,035,082)
Noncash interest income	(132,347)	-	(132,347)	-	(132,347)
Depreciation	26,754	-	26,754	-	26,754
(Increase) decrease in assets:					
Receivable - accrued income	46,467	2,268	48,735	-	48,735
Other receivable	42,797	-	42,797	-	42,797
Due from other funds	8,106	-	8,106	-	8,106
Due from brokers	10,022	24,621	34,643	-	34,643
Prepaid expense	(2,065)	-	(2,065)	-	(2,065)
Increase (decrease) in liabilities:					
Accounts payable	21,460	2,107	23,567	-	23,567
Due to other funds	-	(8,106)	(8,106)	-	(8,106)
Payable to brokers	525,596	(19,360)	506,236	-	506,236
Accrued expenses	<u>(15,896)</u>	<u>-</u>	<u>(15,896)</u>	<u>-</u>	<u>(15,896)</u>
Net cash provided by operating activities	<u>\$ 2,540,821</u>	<u>147,106</u>	<u>2,687,927</u>	<u>-</u>	<u>2,687,927</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, 2020

Equities	Cost	Fair Value
Domestic Common Stock		
Abbott Laboratories Ord	\$ 81,919	\$ 154,430
Adobe System Ord	75,652	185,873
Advanced Micro Devices Ord	91,682	110,683
Alibaba Group Holding ADR Rep 8	133,831	204,316
Alphabet CL A Ord	237,010	381,056
Amazon Com Ord	266,777	884,793
American Tower Reit	192,754	221,183
Amgen Ord	127,072	141,059
Apple Ord	331,948	994,808
Bank of America Ord	346,113	330,635
BHP Group ADR	128,943	121,519
Boeing Ord	56,776	54,536
Boston Scientific Ord	148,447	191,623
Charter Communications CL A Ord	149,789	251,609
Citigroup Ord	246,774	171,147
Coca-Cola Ord	102,668	111,823
Conocophillips Ord	116,648	91,131
Cummins Ord	245,726	273,452
Deere Ord	115,755	151,817
Discover Financial Services Ord	135,988	134,916
Dollar General Ord	64,397	131,013
Eli Lilly Ord	166,950	215,369
Facebook CL A Ord	266,890	394,160
Home Depot Ord	135,705	327,698
Honeywell International Ord	251,278	288,068
Johnson & Johnson Ord	250,790	279,299
JPMorgan Chase Ord	234,441	203,130
L3Harris Technologies Ord	165,076	151,158
Lululemon Athletica Ord	127,267	128,454
Mastercard CL A Ord	134,357	132,224
Medtronic Ord	116,905	125,224
Merck & Co Ord	157,814	160,094
Microsoft Ord	234,288	915,987
Micron Technology Ord	85,964	90,163
Morgan Stanley Ord	182,751	180,104
Nextera Energy Ord	123,954	127,678
Nike CL B Ord	156,886	229,738
Norfolk Southern Ord	310,511	371,273
Nvidia Ord	76,266	288,470
Palo Alto Networks Ord	70,675	83,215
Paypal Holdings Ord	136,231	228,555
Pepsico Ord	83,669	95,634
Philip Morris International Ord	106,925	104,986
Procter & Gamble Ord	96,473	132,735
Qualcomm Ord	112,620	190,759
Rockwell Automat Ord	119,983	121,374
Salesforce.com Ord	119,759	183,464
SBA Communications CL A Reit Ord	117,806	125,481
Target Ord	126,128	170,014
UnitedHealth Grp Ord	175,593	285,581
Visa CL A Ord	200,505	415,938
Walt Disney Ord	314,068	309,580
Walmart Ord	90,662	125,919
Wynn Resorts Ord	173,455	145,415
Zoetis CL A Ord	110,580	134,777
Linde Ord	133,067	128,031
Subtotal - Atalanta	\$ 8,862,961	\$ 12,883,171

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, 2020

	Cost	Fair Value
Equities, Continued		
Domestic Common Stock, Continued		
Adobe System Ord	\$ 87,101	\$ 585,085
Alcon Ord	240,473	253,237
Allegion Ord	275,437	260,333
Ameriprise Finance Ord	180,259	292,811
Amgen Ord	253,444	401,575
Ansys Ord	179,119	625,010
BOK Financial Ord	81,390	77,266
CABOT Oils & Gas Ord	256,135	243,267
Capital One Financial Ord	201,766	182,885
Cincinnati Financial Ord	243,630	249,895
Chubb Ord	181,945	179,523
Coca-Cola Ord	259,194	304,762
Commerce Bancshares Ord	160,450	159,921
Corteva Ord	262,475	305,387
Cullen Frost Bankers Ord	113,745	99,124
Danaher Ord	243,566	670,323
East West Bancorp Ord	194,094	116,326
Elanco Animal Health Ord	169,726	261,510
Equity Lifestyle Prop Reit Ord	101,058	140,991
General Dynamics Ord	163,030	193,803
Johnson Controls International	233,114	263,361
JPMorgan Chase Ord	177,373	255,117
Lennar Cl A Ord	184,029	359,393
Lennar Cl B Ord	3,129	5,717
Martin Marietta Materials Ord	157,431	294,201
Medtronic Ord	238,545	322,153
Microchip Technology Ord	156,787	380,213
Microsoft Ord	109,029	547,700
Mitsubishi Ufj Fncl Grp Ads Rep	138,346	88,622
Novartis Adr Repsg 1 Ord	231,660	245,489
Oshkosh Ord	186,577	249,901
Parker Hannifin Ord	257,396	307,558
Paypal Holdings Ord	45,978	303,427
Phillips 66 Ord	217,620	139,969
Pioneer Natural Resource Ord	206,259	85,991
Procter & Gamble Ord	313,040	321,068
PNC Financial Services Group Ord	247,766	236,747
Qualcomm Ord	229,170	371,164
RPM Ord	176,153	307,006
Sony Adr Rep 1 Ord	244,142	375,539
Sun Communities Reit Ord	94,539	145,251
Twitter Ord	216,488	294,013
Tyson Foods CL A Ord	268,835	195,631
Walgreen Boots Alliance Ord	206,584	100,577
Xylem Ord	289,894	295,262
	<u>8,677,921</u>	<u>12,094,113</u>
Subtotal - Aristotle		
Total Domestic Common Stock	<u>\$ 17,540,882</u>	<u>\$ 24,977,284</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, 2020

	Cost	Fair Value
Equities, Continued		
International Common Stock		
ABB Adr Rep 1 Ord	\$ 93,169	\$ 114,729
Accenture Cl A Ord	38,079	69,831
Alibaba Group Holding ADR Rep & Ord	56,509	62,912
Alstom Un-sponsored France ADR	50,992	51,141
Aon Cl A Ord	50,708	93,660
Autohome ADR Rep CL A Ord	50,662	57,696
BB Seguridade Participacoes Adr	54,339	25,413
Beiersdorf A G Un-sponsored Germa ADR	70,411	68,588
BHP Group Adr	28,747	51,296
BNP Paribas ADR	60,722	39,664
Canadian National Railway Ord	30,310	51,736
Carlsberg As Sponsored Represent Adr	45,342	53,482
Contl Adr	23,341	23,197
Daiwa House Industry Adr Rep Ord	53,866	51,456
DBS Group Holdings Adr	36,782	40,021
Enel Societa Per Azioni Un-sponso ADR	81,624	83,911
Enn Energy Holdings Adr	56,559	57,718
Engie Sponsored Adr	104,652	101,846
Equinor Asa	41,459	33,716
Ferguson Adr	33,395	56,251
Flughafen Zuerich ADR	16,064	22,274
Grupo Financiero Banorte Adr	82,895	53,204
Hexagon ADR	36,116	46,348
Hitachi ADR	87,585	77,085
Icici Bank Adr Rep 2 Ord	49,563	53,357
Industria De Diseno Textil Indit ADR	23,332	23,416
KAO UNSPON ADR REP 1/5 ORD	41,698	44,437
Knorr Bremse ADR	35,936	41,453
L Air Liquide Ord ADR	44,720	48,940
Linde Ord	26,285	39,995
Lojas Renner ADR	31,711	30,177
Lonza Group Adr	26,484	50,006
Makita Adr Rep 1 Ord	61,170	91,903
Medtronic Ord	75,764	91,865
Merck KGAA Darmstadt Germany Spo ADR	35,819	36,280
MR Price Group Adr	36,541	28,071
Nintendo 8 ADR Rep Ord	88,892	127,625
Nordea Bank Abp Sponsored Finlan Adr	68,387	49,639
Novartis Adr Repsg 1 Ord	104,434	118,874
Ping An Insurance Group Company Adr	108,334	109,555
	\$ 2,143,398	\$ 2,372,768

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, 2020

	Cost	Fair Value
Equities, Continued		
International Common Stock, Continued		
Prudential Adr Repstg 2 Ord	\$ 71,553	\$ 53,864
PT Bank Mandiri Persero TBK Unsp ADR	31,021	22,568
PT TLKMNK TBK ADR REP 100 SRS B ORD	29,264	24,249
Relx Adr Rep Ord	84,594	86,930
ROYAL DSM NV SPONSORED NETHERLAN ADR	42,991	65,291
Ryanair Holdings Ord	49,946	43,823
Ryohin Keikaku Adr Rep Ord	51,195	38,648
Safran Adr	98,834	87,806
Sampo Oyj Un-sponsored Representi Adr	67,637	59,911
Saneamen Sao Pau Adr Rep 1 Ord	27,723	27,000
Sandvik A B Sponsored Sweden ADR	56,530	52,614
SANOFI ADR REP 1 1/2 ORD	110,059	122,816
SAP Adr Rep 1 Ord	89,407	154,564
SHIN ETSU CHEMICAL ADR	47,676	63,381
Shimano Unspn ADR Rep Ord	32,992	45,492
Sumitomo Mit Adr Rep 1/5th of Ord	55,366	51,942
Suncor Energy Ord	92,230	34,359
Suzuki Motor Adr Rep 4 Ord	57,630	51,487
Taiwan Semiconductor Mnftg Adr 5 Ord	46,818	134,819
Telenor Asa Adr	69,605	66,265
Tencent Holdings Adr	83,134	135,234
TESCO ADR	83,342	76,609
Unilever Adr Rep 1 Ord	58,517	80,184
Vestas Wind Systems AS ADR	40,188	76,479
Vinci Adr	42,546	46,589
Vivendi Adr	97,411	103,487
VOLKSWAGEN 10 UNSPON ADR REP PRF	94,597	86,747
Wolters Kluwer N V Ord Adr	25,012	56,375
	1,737,818	1,949,533
Total International Common Stock - Lazard	\$ 3,881,216	\$ 4,322,301
Real Estate Investment Trusts		
Alexandria Real Estate Eq Reit Ord	\$ 328,098	\$ 450,719
American Campus Reit Ord	119,584	119,390
American Homes 4 Rent CL A Reit Ord	160,594	175,608
American Tower Reit	139,636	214,173
Avalonbay Communities Reit Ord	453,844	341,242
Boston Properties Reit Ord	269,123	186,055
Camden Property Reit Ord	282,145	267,118
Coresite Realty Reit Ord	128,604	127,202
Cubsmart Reit Ord	250,122	275,346
Cyrusone Reit Ord	87,621	74,792
Duke Realty Reit Ord	342,502	403,944
Eastgroup Properties Reit Ord	170,520	170,520
Equinix Reit Ord	672,537	1,062,662
Equity Lifestyle Prop Reit Ord	303,200	307,236
Equity Residential Reit Ord	395,601	305,927
Essex Property Reit Ord	135,092	103,608
Extra Space Storage Reit Ord	314,572	392,332
Healthcar Trst of Am Cl A Reit Ord	199,107	180,180
Healthpeak Properties Ord	378,869	334,841
Highwoods Properties Reit Ord	247,155	197,392
Hilton Worldwide Holdings Ord	82,243	88,050
Invitation Homes Ord	251,617	277,829
JBG Smith Properties Ord	145,693	107,735
Kilroy Realty Reit Ord	272,579	201,501
Kimco Realty Reit Ord	320,630	235,402
Omega Healthcare Reit Ord	110,045	86,048
Prologis Reit	519,239	924,899
Retail Opportunity Invest Reit Ord	222,414	164,109
Ryman Hospitality Prop Reit Ord	152,396	89,130
Simon Prop Grp Reit Ord	594,440	240,739
Welltower Ord	178,594	175,627
Xenia Hotels and Resorts Reit Ord	69,449	66,078
	8,297,865	8,347,434
Total Real Estate Investment Trusts - Adelante	\$ 8,297,865	\$ 8,347,434

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, 2020

	Cost	Fair Value	Ratings
Infrastructure Lazard			
Total Infrastructure Lazard	\$ 8,794,158	\$ 7,986,401	
Blackstone			
Total Blackstone	343,401	343,401	
Total Equities	38,857,522	45,976,821	
Fixed Income Securities			
Mortgage & Asset Backed Securities			
Federal Home Loan Banks @ 0.169%, due 01/04/2021	470,000	469,966	AA+
Federal Home Loan Banks @ 0.154%, due 09/13/2021	690,000	689,828	AA+
Federal Home Loan Banks @ 0.144%, due 08/04/2021	175,000	174,963	AA+
Federal Home Loan Banks @ 0.176%, due 08/24/2021	1,135,000	1,135,000	AA+
Federal Agricultural Mortgage Corp @ 0.123%, due 08/13/2021	1,135,000	1,133,899	AA+
Federal Agricultural Mortgage Corp @ 0.144%, due 01/15/2022	1,190,000	1,188,846	AA+
Federal Home Loan Banks @ 0.131%, due 12/17/2021	650,000	649,136	AA+
FH G60134 @ 4.5%, due 06/01/2036	312,528	315,215	AA+
FN MA3539	513,716	528,033	AA+
Total Mortgage & Asset Backed Securities - Garcia Hamilton	6,271,244	6,284,886	
Government Bonds			
United States Treasury @ 1.5%, due 02/15/2030	1,663,841	1,662,245	AA+
Total Government Bonds - Garcia Hamilton	1,663,841	1,662,245	
Corporate Bonds			
AFLAC Inc @ 3.6%, due 04/01/2030	350,891	369,665	A-
BANK OF AMERICA CORP @ 3.974%, due 02/07/2030	822,037	869,093	A-
BANK OF NEW YORK MELLON CORP @ 1.318%, due 10/30/2023	618,927	625,043	A
CITIGROUP INC @ 3.98%, due 03/20/2030	831,779	857,614	BBB+
COMCAST CORP @ 2.65%, due 02/01/2030	545,389	572,051	A-
COMCAST CORP @ 3.4%, due 04/01/2030	255,606	271,157	A-
GOLDMAN SACHS GROUP INC @ 4.223%, due 05/21/2029	804,947	862,998	BBB+
International Business Machines Corp @ 3.5%, due 05/15/2029	309,496	316,951	A
JPMORGAN CHASE & CO @ 3.54%, due 05/01/2028	109,226	129,536	A-
JPMORGAN CHASE & CO @ 2.739%, due 10/15/2030	691,063	744,574	A-
Metlife Inc @ 4.55%, due 03/23/2030	424,153	432,347	A-
MORGAN STANLEY @ 3.772%, due 01/24/2029	774,298	867,472	BBB+
Oracle Corp @ 2.95%, due 04/01/2030	347,146	357,779	A-
PNC Bank Na @ 0.745%, due 07/27/2022	655,544	658,491	A
WALT DISNEY CO @ 3.8%, due 03/22/2030	832,598	860,653	A-
WELLS FARGO & CO @ 3.584%, due 05/22/2028	263,863	263,068	BBB+
WELLS FARGO & CO @ 4.15%, due 01/24/2029	584,854	617,442	BBB+
Subtotal - Garcia Hamilton	9,221,817	9,675,934	
ADT Corp @ 4.125%, due 06/15/23	77,500	83,680	BB-
Albertsons Companies LLC @ 5.75%, due 03/15/25	82,522	82,524	B-
ALLEGHENY LUDLUM CORPORATION @ 6.950% , due 12/15/25	83,250	79,400	B
AMC Networks Inc @ 5%, due 04/01/24	81,427	81,800	BB-
American Axle And Manufacturing Inc @ 6.25%, due 04/01/25	82,390	79,000	BB+
Amerigas Partners LP @ 5.875%, Due 08/20/26	80,120	87,938	BB-
Antero Resources Corp @ 5.375%, due 11/01/21	75,400	76,000	B+
Ball Corp @ 5.25%, due 07/01/25	81,495	90,554	B-
Belo Corp @ 7.25%, due 09/15/27	88,341	93,925	BB+
Centene Corp @ 4.75%, due 01/15/25	79,500	82,224	BB+
CIT Group Inc @ 5.25, due 03/07/25	65,352	74,060	B
	\$ 877,297	\$ 911,105	

See accompanying independent auditor's report.

MARIANAS PUBLIC LAND TRUST

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

Schedule of Investments - General Fund
September 30, 2020

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Fixed Income Securities, Continued			
Corporate Bonds, Continued			
Cleveland-Cliffs Inc @ 5.75%, due 03/01/25	\$ 80,394	\$ 74,200	CCC
Commercial Metals Co @ 5.375%, due 07/15/27	79,900	89,650	BB
Covanta Holding Corp @ 5.875%, due 07/01/25	84,388	87,869	B
CSC Holdings LLC @ 6.75%, due 11/15/21	77,630	83,900	B-
DCP Midstream Operating LP @ 3.875%, due 03/15/23	68,625	73,875	BB
Dell Inc @ 7.10%, due 04/15/28	82,875	91,292	BB-
Delta Air Lines Inc @ 3.625%, due 03/15/22	74,400	78,602	BB-
Ford Motor Co @ 8.5%, due 04/21/23	80,000	87,200	BB
Genesis Energy LP @ 6.50%, due 10/01/25	79,200	69,200	B+
Geo Group Inc @ 5.125%, due 04/01/23	75,750	60,938	B+
GLP Capital LP @ 5.375%, due 04/15/26	81,425	88,664	BB+
HCA Inc @ 7.5%, due 12/15/23	87,300	91,200	BB-
Howmet Aerospace Inc @ 6.75%, due 01/15/28	67,025	77,175	BB-
H&E Equipment Services Inc @ 5.625%, due 09/01/25	65,020	67,763	B
Icahn Enterprises LP @ 6.375%, due 12/15/25	80,487	82,238	BB-
Istar Inc @ 5.5%, due 02/15/26	160,000	149,952	BB-
Kennedy Wilson Inc @ 5.875%, due 04/01/24	80,000	79,600	B+
L Brands Inc @ 5.625%, due 02/15/22	56,734	56,214	B
Lennar Corp @ 4.75%, due 11/15/22	71,225	72,800	BB+
Liberty Interactive LLC @ 8.5%, due 07/15/29	81,400	86,200	B
Mercer International Inc @ 6.50%, due 02/01/24	84,800	80,200	B+
MPT OPERATING PARTNERSHIP, L.P @ 5.250%, due 08/01/26	83,944	82,400	BB+
National Cinemedia LLC @ 5.75%, due 08/15/26	79,900	57,800	CCC+
Navient Corp @ 6.50%, due 06/15/22	82,400	81,600	B+
NGL Energy Partners LP @ 6.125%, 03/01/25	75,823	47,600	B-
Onemain Finance Corp @ 6.125%, due 03/15/24	81,720	83,800	BB-
PARK-OHIO INDUSTRIES INC @ 6.625, due 04/15/2027	79,200	73,600	CCC+
Penske Automotive Group Inc @ 5.50%, due 05/15/26	79,200	82,526	B+
PRECISION DRILLING CORP @ 7.750%, due 12/15/23	76,148	56,987	B-
QVC Inc @ 5.45%, due 08/15/34	79,992	79,000	BB
Quad/graphics Inc @ 7.00%, due 05/01/22	68,163	61,600	CCC+
Sabra Health Care LP @ 5.125, due 08/15/26	84,984	86,506	BB+
Safeway Inc @ 7.45%, due 09/15/27	86,740	89,700	B-
SONIC AUTOMOTIVE INC @ 6.125%, due 03/15/27	73,124	82,600	B
Starwood Property Trust Inc @ 5%, due 12/25/21	78,998	79,200	B+
Suburban Propane Partners LP @ 5.875%, due 03/01/27	79,675	82,200	B+
SUNOCO LP @ 5.500%, due 02/15/26	76,600	79,900	B+
Targa Resources Partners LP @ 5.25%, due 05/01/23	65,800	69,839	BB-
Tenet Healthcare Corp @ 4.625, due 07/15/24	82,392	80,400	B+
TENNECO INC @ 5.375%, due 12/15/24	70,367	61,310	CCC+
TRANSDIGM INC @ 6.375%, due 06/15/26	84,584	80,312	B-
Transmontaigne Partners LLC @ 6.125%, due 02/15/26	80,075	82,800	B-
Tri Pointe Group Inc @ 5.25%, due 06/01/27	80,000	85,400	BB-
UAL 05ERJ1 A1 @ 9.798%, due 04/01/21	2,765	2,392	B+
United Rentals (North America) Inc @ 4.875%, due 01/15/28	83,992	84,000	BB-
Wesco Distribution Inc @ 5.375%, due 06/15/24	83,800	82,100	B
	<u>3,598,964</u>	<u>3,564,304</u>	
Subtotal - Chartwell	\$ 4,476,261	\$ 4,475,409	

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, 2020

	<u>Cost</u>	<u>Fair Value</u>
Convertible Bonds		
Advanced Micro Devices Inc	\$ 53,560	\$ 81,809
Air Canada	43,425	47,527
Air Transport Services Group Inc	25,186	24,234
Akamai Technologies Inc	143,074	155,590
American Eagle Outfitters Inc	18,684	22,234
Arcelormittal SA	47,563	53,520
Atlas Air Worldwide Holdings Inc	25,133	25,266
Atlassian Inc	73,006	80,978
Avantor Inc	86,702	105,109
AXA SA	48,714	41,880
Bandwidth Inc	30,485	51,923
The Bank of Nova Scotia	87,994	69,425
Becton Dickinson and Co	42,418	44,226
Bilibili Inc	58,840	57,729
Biomarin Pharmaceutical Inc	49,398	48,900
Blackline Inc	41,337	52,268
Bloom Energy Corp	34,120	43,200
Bloomin' Brands Inc	30,845	45,680
Booking Holdings Inc	75,794	88,595
Bridgebio Pharma Inc	36,917	41,971
Broadcom Inc	200,394	229,402
Burlington Stories Inc	50,887	54,810
CNX Resources Corp	20,076	17,556
Callaway Golf Co	28,165	38,020
Canadian Solar Inc	30,155	33,774
Carnival Corp	88,648	95,684
Cerence Inc	29,578	44,584
Chart Industries Inc	30,262	30,492
Chegg Inc	125,178	144,159
Cinemark Holdings Inc	34,108	28,836
Cleveland-Cliffs Inc	28,051	32,032
Cloudflare Inc	21,151	28,273
Colfax Corp	45,056	44,289
Conmed Corp	46,161	42,543
Copa Holdings SA	30,650	36,358
Coupa Software Inc	86,467	104,782
Cree Inc	26,430	36,735
Danaher Corp	136,369	169,258
Datadog Inc	26,708	34,320
Dexcom Inc	135,526	161,963
Dick's Sporting Goods Inc	41,435	75,073
Dish Network Corp	24,540	27,540
DocuSign Inc	45,456	90,573
Envestnet Inc	70,740	69,295
Envista Holdings Corp	22,071	30,530
Etsy Inc	82,338	99,414
Exact Sciences Corp	67,509	73,836
Five9 Inc	41,525	49,548
Fortive Corp	47,777	51,499
	<u>\$ 2,716,606</u>	<u>\$ 3,157,242</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, 2020

Convertible Bonds, Continued	Cost	Fair Value
GCI Liberty Inc	\$ 87,220	\$ 107,951
Guess? Inc	14,210	18,404
Hannon Armstrong Sustainable Infrastructure Capita	29,245	30,094
Heartland Bank	41,061	47,383
Helix Energy Solutions Group Inc	29,000	23,722
Hubspot Inc	55,938	63,382
Match Group FinanceCo Inc	50,563	76,316
Match Group FinanceCo 2 Inc	74,057	95,661
Illumina Inc	58,183	55,170
Insmmed Inc	32,539	35,812
Inphi Corp	103,448	118,078
InSeeGo Corp	24,327	24,042
Insulet Corp	113,163	131,335
Invitae Corp	26,610	36,177
KBR Inc	38,314	38,335
KKR & Co Inc	38,883	37,960
K12 Inc	35,656	29,188
Lendingtree Inc	39,238	37,075
Liberty Media Corp	99,227	94,247
Live Nation Entertainment Inc	53,063	55,694
Livongo Health Inc	30,195	58,763
Lumentum Holdings Inc	135,595	137,296
Lyft Inc	28,275	27,040
Marcus Corp	20,340	18,422
Mercadolibre Inc	57,093	57,908
Meritor Inc	52,705	57,063
Microchip Technology Inc	147,205	176,197
Mongodb Inc	38,504	44,407
NCL Corporation LTD	93,345	116,154
Nanostring Technologies Inc	37,149	43,164
National Vision Holdings Inc	27,593	38,408
Neurocrine Biosciences Inc	71,924	63,250
Nice Ltd	40,581	40,142
Novellus Sytmes Inc	20,186	20,831
Nuance Communications Inc	51,357	73,829
Okta Inc	94,326	113,249
On Semiconductor Corp	65,810	72,635
Pacira Biosciences Inc	71,834	74,377
Palo Alto Networks Inc	106,363	108,220
Pegasystems Inc	42,224	47,624
Penn National Gaming Inc	21,105	67,399
Pinduoduo Inc	55,733	48,903
Pioneer Natural Resources Co	57,755	58,352
Q2 Holdings Inc	50,792	53,894
RH	62,188	107,575
Repligen Corp	48,159	55,477
Revance Therapeutics Inc	34,351	34,780
Ringcentral Inc	77,828	82,827
Royal Caribbean Cruises Ltd	62,360	66,516
SSR Mining Inc	44,959	41,146
	<u>\$ 2,791,779</u>	<u>\$ 3,161,874</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, 2020

	<u>Cost</u>	<u>Fair Value</u>
Convertible Bonds, Continued		
Sabre GBLB Inc	\$ 38,035	\$ 41,120
Sarepta Therapeutics Inc	94,047	101,602
Sea Ltd	93,776	183,264
ServiceNow Inc	63,246	86,754
Shopify Inc	47,144	49,174
Snap Inc	111,991	130,199
Solaredge Technologies Inc	36,024	40,093
Southwest Airlines Co	43,206	56,115
Spirit Airlines Inc	29,217	27,607
Splunk Inc	144,504	159,562
Square Inc	114,492	190,149
Stanley Black & Decker Inc	65,927	75,675
Synaptics Inc	71,713	80,391
Tandem Diabetes Care Inc	41,201	51,700
Teladoc Health Inc	138,673	168,893
Teradyne Inc	61,953	76,547
Tesla Inc	312,055	855,356
2020 Cash Mandatory Exchangeable Trust	103,959	104,802
2020 Mandatory Exchangeable Trust	38,403	50,487
Twilio Inc	60,037	79,992
II-VI Inc	34,701	36,040
2U Inc	17,713	20,094
Wix.com Ltd	54,323	52,778
Wayfair Inc	99,914	148,017
Winnebago Industries Inc	39,873	41,089
Workday Inc	105,366	122,874
Joyy Inc	35,397	34,161
Zendesk Inc	72,665	81,852
Zillow Group Inc	96,750	164,648
Zscaler Inc	31,165	36,582
Zynga Inc	53,592	58,218
Aptiv PLC	71,044	74,289
	<u>2,422,106</u>	<u>3,480,124</u>
Subtotal - SSI Convertible	<u>7,930,491</u>	<u>9,799,240</u>
Total Mutual Funds, Equities, Fixed Income Securities and Convertible Funds	<u>\$ 68,421,176</u>	<u>\$ 77,874,535</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, 2020

	Cost	Fair Value
Equities		
Domestic Common Stock		
Abbott Laboratories Ord	\$ 10,090	\$ 19,045
Adobe System Ord	9,409	22,560
Advanced Micro Devices Ord	11,206	13,528
Alibaba Group Holding ADR Rep 8	16,389	24,988
Alphabet CL A Ord	28,288	45,434
Amazon Com Ord	32,489	107,057
American Tower Reit	23,170	26,590
Amgen Ord	14,882	16,520
Apple Ord	39,643	119,863
Bank of America Ord	41,740	39,869
BHP Group ADR	15,638	14,737
Boeing Ord	6,882	6,610
Boston Scientific Ord	17,883	23,117
Charter Communications CL A Ord	18,213	30,593
Citigroup Ord	29,857	20,693
Coca-Cola Ord	12,464	13,577
Conocophillips Ord	14,077	11,001
Cummins Ord	29,324	32,730
Deere Ord	14,364	18,839
Discover Financial Services Ord	16,307	16,178
Dollar General Ord	7,706	15,722
Eli Lilly Ord	20,028	25,904
Facebook CL A Ord	32,049	47,142
Home Depot Ord	17,350	40,268
Honeywell International Ord	30,036	34,568
Johnson & Johnson Ord	30,114	33,498
JPMorgan Chase Ord	28,420	24,549
L3Harris Technologies Ord	20,403	18,682
Linde Ord	15,496	14,909
Lululemon Athletica Ord	15,337	15,480
Mastercard CL A Ord	16,150	15,894
Medtronic Ord	14,067	15,068
Merck & Co Ord	18,801	19,079
Micron Technology Ord	10,299	10,801
Microsoft Ord	28,305	110,423
Morgan Stanley Ord	22,063	21,758
Nextera Energy Ord	14,813	15,266
Nike CL B Ord	18,933	27,619
Norfolk Southern Ord	37,606	44,938
Nvidia Ord	9,320	34,638
Palo Alto Networks Ord	8,359	9,790
Paypal Holdings Ord	16,476	27,584
Pepsico Ord	9,695	11,088
Philip Morris International Ord	13,001	12,748
Procter & Gamble Ord	11,580	15,984
Qualcomm Ord	13,564	22,948
Rockwell Automat Ord	15,275	15,448
Salesforce.com Ord	14,774	22,619
SBA Communications CL A Reit Ord	14,352	15,287
Target Ord	15,182	20,465
UnitedHealth Grp Ord	21,242	34,918
Wynn Resorts Ord	20,982	17,593
Zoetis CL A Ord	13,568	16,537
	<u>\$ 997,661</u>	<u>\$ 1,452,744</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, 2020

	Cost	Fair Value
Equities, Continued		
Domestic Common Stock, Continued		
Visa CL A Ord	\$ 24,453	\$ 50,992
Walmart Ord	11,069	15,390
Walt Disney Ord	37,707	37,224
	73,229	103,606
Subtotal - Atalanta	1,070,890	1,556,350
Adobe System Ord	10,513	70,622
Alcon Ord	29,053	30,561
Allegion Ord	33,174	31,354
Ameriprise Finance Ord	21,821	35,445
Amgen Ord	30,666	48,545
Ansys Ord	21,663	75,590
BOK Financial Ord	8,682	8,242
CABOT Oils & Gas Ord	30,854	29,304
Capital One Financial Ord	24,418	22,133
Chubb Ord	22,008	21,714
Cincinnati Financial Ord	29,418	30,174
Coca-Cola Ord	31,280	36,781
Commerce Bancshares Ord	19,325	19,251
Corteva Ord	31,695	36,877
Cullen Frost Bankers Ord	15,411	13,430
Danaher Ord	29,425	80,964
East West Bancorp Ord	23,435	14,045
Elanco Animal Health Ord	20,484	31,561
Equity Lifestyle Prop Reit Ord	12,171	16,980
General Dynamics Ord	19,797	23,533
Johnson Controls International	28,131	31,781
JPMorgan Chase Ord	21,369	30,806
Lennar Cl A Ord	22,794	44,516
Lennar Cl B Ord	356	649
Martin Marietta Materials Ord	18,892	35,304
Medtronic Ord	27,702	37,411
Microchip Technology Ord	19,069	46,242
Microsoft Ord	13,147	66,044
Mitsubishi Ufj Fnc'l Grp Ads Rep	16,495	10,566
Novartis Adr Repsg 1 Ord	28,316	29,653
Oshkosh Ord	21,782	29,400
Parker Hannifin Ord	30,989	37,028
Paypal Holdings Ord	5,553	36,648
Phillips 66 Ord	24,180	15,552
Pioneer Natural Resource Ord	25,202	10,319
PNC Financial Services Group Ord	29,907	28,577
Procter & Gamble Ord	37,809	38,778
Qualcomm Ord	27,684	44,836
RPM Ord	21,247	37,029
Sony Adr Rep 1 Ord	29,439	45,283
Sun Communities Reit Ord	11,440	17,576
Twitter Ord	26,115	35,467
Tyson Foods CL A Ord	32,450	23,614
Walgreen Boots Alliance Ord	25,454	12,392
Xylem Ord	34,936	35,583
	1,045,751	1,458,160
Subtotal - Aristotle	1,045,751	1,458,160
Total Domestic Common Stock	\$ 2,116,641	\$ 3,014,510

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, 2020

Equities, Continued	Cost	Fair Value
International Common Stock		
ABB ADR Rep 1 Ord	\$ 12,645	\$ 15,295
Accenture Cl A Ord	5,474	9,266
Aon Cl A Ord	7,249	12,378
BB Seguridade Participacoes ADR	8,106	3,488
BHP Group ADR	4,301	6,929
Canadian National Railway Ord	4,259	6,919
Carlsberg As Sponsored Represent ADR	6,307	7,174
Contl ADR	3,110	3,091
Daiwa House Industry ADR Rep Ord	7,310	6,851
DBS Group Holdings ADR	5,260	5,309
Enn Energy Holdings ADR	7,574	7,667
Engie Sponsored ADR	14,095	13,553
Equinor Asa	5,854	4,640
Ferguson ADR	4,392	7,160
Grupo Financiero Banorte ADR	11,172	7,094
Icici Bank ADR Rep 2 Ord	6,959	7,107
KAO UNSPON ADR REP 1/5 ORD	5,795	5,919
Lonza Group ADR	3,685	6,684
Alibaba Group Holding ADR Rep & Ord	7,392	8,231
Alstom Un-sponsored France ADR	6,797	6,816
Autohome ADR Rep CL A Ord	6,742	7,680
Enel Societa Per Azioni Un-sponsored ADR	10,903	11,187
Flughafen Zuerich ADR	2,135	2,960
Hexagon ADR	4,839	6,210
Hitachi ADR	11,732	10,273
Industria De Diseno Textil Indit ADR	3,115	3,126
Knorr Bremse ADR	4,808	5,547
L Air Liquide Ord ADR	5,946	6,515
Linde Ord	3,422	5,206
Lojas Renner ADR	4,222	4,018
Nintendo 8 ADR Rep Ord	11,862	17,031
Beiersdorf A G Un-sponsored Germa ADR	9,409	9,145
BNP Paribas ADR	8,116	5,285
Merck KGAA Darmstadt Germany Spo ADR	4,789	4,849
PT Bank Mandiri Persero TBK Unsp ADR	4,129	3,007
Sandvik A B Sponsored Sweden ADR	7,539	7,016
Shimano Un-sponsored ADR Rep Ord	4,400	6,067
TESCO ADR	11,194	10,204
Vestas Wind Systems AS ADR	5,381	10,168
Makita ADR Rep 1 Ord	8,379	12,320
Medtronic Ord	10,752	12,159
MR Price Group ADR	4,982	3,743
Nordea Bank Abp Sponsored Finlan ADR	8,757	6,609
Novartis ADR Repsg 1 Ord	14,514	15,827
Ping An Insurance Group Company ADR	14,722	14,607
Prudential ADR Repstg 2 Ord	9,564	7,176
PT TLKMNK TBK ADR REP 100 SRS B ORD	4,178	3,283
Relx ADR Rep Ord	11,937	11,990
ROYAL DSM NV SPONSORED NETHERLAN ADR	6,602	9,728
Ryanair Holdings Ord	6,597	5,805
Ryohin Keikaku ADR Rep Ord	7,498	5,655
Safran ADR	13,824	11,709
Sampo Oyj Un-sponsored Representi ADR	8,983	7,984
Saneamen Sao Pau ADR Rep 1 Ord	3,826	3,594
SANOFI ADR REP 1 1/2 ORD	14,896	16,355
	<u>\$ 412,430</u>	<u>\$ 435,609</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, 2020

	Cost	Fair Value
Equities, Continued		
International Common Stock, Continued		
SAP Adr Rep 1 Ord	\$ 12,945	\$ 20,567
SHIN ETSU CHEMICAL ADR	6,545	8,462
Sumitomo Mit Adr Rep 1/5th of Ord	8,517	7,653
Suncor Energy Ord	12,729	4,711
Suzuki Motor Adr Rep 4 Ord	7,494	6,797
Taiwan Semiconductor Mnftg Adr 5 Ord	8,009	17,998
Telenor Asa Adr	9,324	8,862
Tencent Holdings Adr	11,424	18,018
Unilever Adr Rep 1 Ord	7,997	10,671
Vinci Adr	5,929	6,207
Vivendi Adr	13,148	13,815
VOLKSWAGEN 10 UNSPON ADR REP PRF	12,666	11,423
Wolters Kluwer N V Ord Adr	3,621	7,431
	<u>120,348</u>	<u>142,615</u>
Total International Common Stock - Lazard	<u>532,778</u>	<u>578,224</u>
Real Estate Investment Trusts		
Alexandria Real Estate Eq Reit Ord	39,787	55,680
American Campus Reit Ord	14,760	14,736
American Homes 4 Rent CL A Reit Ord	19,821	21,673
American Tower Reit	16,964	26,349
Avalonbay Communities Reit Ord	55,955	42,114
Boston Properties Reit Ord	33,134	22,966
Camden Property Reit Ord	34,962	33,012
Coresite Realty Reit Ord	15,865	15,692
Cubesmart Reit Ord	30,883	33,990
Cyrusone Reit Ord	10,830	9,244
Duke Realty Reit Ord	42,056	49,889
Eastgroup Properties Reit Ord	21,107	21,107
Equinix Reit Ord	83,366	131,502
Equity Lifestyle Prop Reit Ord	37,441	37,945
Equity Residential Reit Ord	49,320	37,779
Essex Property Reit Ord	16,671	12,851
Extra Space Storage Reit Ord	38,919	48,466
Healthcar Trst of Am Cl A Reit Ord	24,690	22,256
Healthpeak Properties Ord	46,712	41,349
Highwoods Properties Reit Ord	30,585	24,372
Hilton Worldwide Holdings Ord	10,127	10,836
Invitation Homes Ord	30,990	34,316
JBG Smith Properties Ord	18,015	13,317
Kilroy Realty Reit Ord	33,609	24,889
Kimco Realty Reit Ord	40,203	29,062
Omega Healthcare Reit Ord	13,588	10,629
Prologis Reit	63,643	114,202
Retail Opportunity Invest Reit Ord	27,440	20,268
Ryman Hospitality Prop Reit Ord	18,848	11,003
Simon Prop Grp Reit Ord	73,524	29,753
Welltower Ord	22,072	21,705
Xenia Hotels and Resorts Reit Ord	8,573	8,157
	<u>1,024,460</u>	<u>1,031,109</u>
Total Real Estate Investment Trusts - Adelante	<u>\$ 1,024,460</u>	<u>\$ 1,031,109</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, 2020

	Cost	Fair Value	Ratings
Global Listed Infrastructure	\$ 1,076,888	\$ 985,624	
Total Global Listed Infrastructure	<u>1,076,888</u>	<u>985,624</u>	
Blackstone			
Total Blackstone	<u>42,925</u>	<u>42,925</u>	
Total Equities	<u>\$ 4,793,692</u>	<u>\$ 5,652,392</u>	
Fixed Income Securities			
Mortgage & Asset Backed Securities			
Federal Home Loan Banks @ 0.169%, due 01/04/2021	\$ 150,000	\$ 149,990	AA+
Federal Home Loan Banks @ 0.1545, due 09/13/2021	130,000	129,968	AA+
Federal Home Loan Banks @ 0.144%, due 08/014/2021	80,000	79,982	AA+
Federal Home Loan Banks @ 0.176%, due 08/24/2021	140,000	140,000	AA+
Federal Agricultural Mortgage Corp @ 0.15%, due 02/25/2022	125,000	124,965	AA+
Federal Agricultural Mortgage Corp @ 0.144%, due 01/25/2022	150,000	149,855	AA+
Federal Home Loan Banks @ 0.131%, due 12/17/2021	90,000	89,880	AA+
FHG60134 @ 4.5%, due 06/01/2036	40,205	40,486	AA+
Total Mortgage & Asset Backed Securities - Garcia Hamilton	<u>\$ 905,205</u>	<u>\$ 905,126</u>	
Government Bonds			
United States Treasury @ 2.625%, due 02/15/2029	\$ 147,049	\$ 146,065	AA+
United States Treasury @ 1.5%, due 02/15/2030	161,995	161,907	AA+
Total Government Bonds - Garcia Hamilton	<u>\$ 309,044</u>	<u>\$ 307,972</u>	
Corporate Bonds			
AFLAC Inc @ 3.6%, due 04/01/2030	\$ 58,391	\$ 58,677	A-
BANK OF AMERICA CORP @ 3.974%, due 02/07/2030	126,210	133,261	A-
BANK OF NEW YORK MELLON CORP @ 1.318%, due 10/30/2023	126,225	127,041	A
Caterpillar Inc @ 2.6%, due 04/09/2030	63,386	65,879	A-
CITIGROUP INC @ 3.98%, due 03/20/2030	128,492	132,383	BBB+
COMCAST CORP @ 0.905%, due 04/15/2024	100,216	100,697	A-
COMCAST CORP @ 3.4%, due 04/01/2030	33,818	34,616	A-
GOLDMAN SACHS GROUP INC @ 3.814%, due 04/23/2029	80,218	91,050	BBB+
GOLDMAN SACHS GROUP INC @ 4.223%, due 05/21/2029	39,173	40,817	BBB+
JPMORGAN CHASE & CO @ 3.54%, due 05/01/2028	18,996	22,528	A-
JPMORGAN CHASE & CO @ 2.739%, due 10/15/2030	100,229	107,133	A-
MORGAN STANLEY @ 3.622%, due 04/01/2031	116,691	114,898	BBB+
MORGAN STANLEY @ 3.772%, due 01/24/2029	15,855	17,121	BBB+
Oracle Corp @ 2.95%, due 04/01/2030	37,969	39,132	A-
PNC Financial Services Group Inc @ 2.55%, due 01/22/2030	103,878	113,732	A-
WALT DISNEY CO @ 2%, due 09/21/2029	45,376	46,460	A-
WALT DISNEY CO @ 3.8%, due 03/22/2030	78,918	83,099	A-
WELLS FARGO & CO @ 4.15%, due 01/24/2029	128,257	135,249	A-
Subtotal - Garcia Hamilton	<u>\$ 1,402,298</u>	<u>\$ 1,463,773</u>	
ADT Corp @ 4.125%, due 06/15/23	9,688	10,460	BB-
ALLEGHENY LUDLUM CORPORATION @ 6.950% , due 12/15/25	10,406	9,925	B-
American Axle And Manufacturing Inc @ 6.25%, due 04/01/25	10,299	9,875	B
Amerigas Partners LP @ 5.875%, Due 08/20/26	10,000	10,992	BB-
Ball Corp @ 5.25%, due 07/01/25	10,175	11,319	BB+
Belo Corp @ 7.25%, due 09/15/27	10,393	11,050	BB-
Centene Corp @ 4.75%, due 01/15/25	9,938	10,278	BB+
	<u>\$ 70,899</u>	<u>\$ 73,899</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, 2020

	Cost	Fair Value	Ratings
Fixed Income Securities, Continued			
Corporate Bonds, Continued			
Commercial Metals Co @ 5.375%, due 07/15/27	\$ 9,400	\$ 10,547	BB
Covanta Holding Corp @ 5.875%, due 07/01/25	9,928	10,338	B
CSC Holdings LLC @ 6.75%, due 11/15/21	9,677	10,488	B-
DCP Midstream Operating LP @ 3.875%, due 03/15/23	9,150	9,850	BB
Dell Computer Corporation @ 7.10%, due 04/15/28	11,050	12,172	BB-
Genesis Energy LP @ 6.50%, due 10/01/25	9,900	8,650	B+
Geo Group Inc @ 5.125%, due 04/01/23	9,090	7,313	B+
GLP Capital LP @ 5.375%, due 04/15/26	10,119	11,083	BB+
H&E Equipment Services Inc @ 5.625%, due 09/01/25	8,002	8,340	B
Icahn Enterprises LP @ 6.375%, due 12/15/25	10,061	10,280	BB-
Istar Inc @ 5.5%, due 02/15/26	20,000	18,744	BB-
L Brands Inc @ 5.625%, due 02/15/22	7,354	7,287	BB
Lennar Corp @ 4.75%, due 11/15/22	10,175	10,400	BB+
Liberty Interactive LLC @ 8.5%, due 07/15/29	10,175	10,775	B
Mercer International Inc @ 6.50%, due 02/01/24	10,600	10,025	B+
National Cinemedia LLC @ 5.75%, due 08/15/26	9,400	6,800	CCC+
Navient Corp @ 6.50%, due 06/15/22	10,300	10,200	B+
NGL Energy Partners LP @ 6.125%, 03/01/25	9,478	5,950	B-
PARK-OHIO INDUSTRIES INC @ 6.625, due 04/15/27	9,900	9,200	CCC+
Penske Automotive Group Inc @ 5.50%, due 05/15/26	9,900	10,316	B+
Albertsons Companies LLC @ 5.75%, due 03/15/25	10,315	10,316	B
AMC Networks Inc @ 5%, due 04/01/24	10,178	10,225	BB-
Antero Resources Corp @ 5.375%, due 11/01/21	9,425	9,500	B-
CIT Group Inc @ 5.25, due 03/07/25	9,336	10,580	BB+
Cleveland-Cliffs Inc @ 5.75%, due 03/01/25	10,049	9,275	CCC
Delta Air Lines Inc @ 3.625%, due 03/15/22	9,300	9,825	BB-
Ford Motor Co @ 8.5%, due 04/21/23	10,000	10,900	BB
HCA Inc @ 7.5%, due 12/15/23	10,913	11,400	BB-
Howmet Aerospace Inc @ 6.75, due 01/15/28	9,575	11,025	BB-
Kennedy Wilson Inc @ 5.875%, due 04/01/24	10,000	9,950	B+
MPT OPERATING PARTNERSHIP, L.P @ 5.250%, due 08/01/26	10,493	10,300	BB+
Onemain Finance Corp @ 6.125%, due 03/15/24	10,215	10,475	BB-
QVC Inc @ 5.45%, due 08/15/34	9,999	9,875	BB
Sabra Health Care LP @ 5.125, due 08/15/26	10,623	10,813	BB+
Safeway Inc @ 7.45%, due 09/15/27	10,854	11,213	B-
Starwood Property Trust Inc @ 5%, due 12/25/21	9,875	9,900	B+
Tenet Healthcare Corp @ 4.625, due 07/15/24	10,299	10,050	B+
PRECISION DRILLING CORP @ 7.750%, due 12/15/23	10,153	7,598	B-
Quad/graphics Inc @ 7.00%, due 05/01/22	9,738	8,800	CCC+
SONIC AUTOMOTIVE INC @ 6.125%, due 03/15/27	9,141	10,325	B
Suburban Propane Partners LP @ 5.875%, due 03/01/27	9,975	10,275	B+
SUNOCO LP @ 5.500%, due 02/15/26	9,575	9,988	B+
Targa Resources Partners LP @ 5.25%, due 05/01/23	9,400	9,977	BB-
TENNECO INC @ 5.375%, due 12/15/24	8,796	7,664	CCC+
TRANSDIGM INC @ 6.375%, due 06/15/26	10,573	10,039	B-
Transmontaigne Partners LLC @ 6.125%, due 02/15/26	10,038	10,350	B-
Tri Pointe Group Inc @ 5.25%, due 06/01/27	10,000	10,675	BB-
UAL 05ERJ1 A1 @ 9.798%, due 04/01/21	369	316	B+
United Rentals (North America) Inc @ 4.875%, due 01/15/28	10,499	10,501	BB-
Wesco Distribution Inc @ 5.375%, due 06/15/24	10,475	10,263	B
	<u>493,840</u>	<u>491,151</u>	
Subtotal - Chartwell	<u>564,739</u>	<u>565,050</u>	
Total Corporate Bonds	<u>1,967,037</u>	<u>2,028,823</u>	
Total Fixed Income Securities	<u>\$ 3,181,286</u>	<u>\$ 3,241,921</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, 2020

	Cost	Fair Value
Convertible Bonds		
Advanced Micro Devices Inc	\$ 6,695	\$ 10,226
Air Canada	5,143	5,658
Air Transport Services Group Inc	3,285	3,161
Akamai Technologies	18,910	20,574
American Eagle Outfitters Inc	3,114	3,706
Arcelormittal SA	6,241	7,025
Atlas Air Worldwide Holdings Inc	3,590	3,609
Atlassian Inc	10,059	11,247
Avantor Inc	11,416	13,821
AXA SA	6,011	5,235
Bandwidth Inc	4,748	7,988
The Bank of Nova Scotia	11,599	9,151
Becton Dickinson and Co	5,555	5,792
Bilibili Inc	7,335	7,216
Biomarin Pharmaceutical Inc	6,916	6,846
Blackline Inc	5,520	6,877
Bloom Energy Corp	5,020	6,353
Bloomin' Brands Inc	4,130	6,091
Booking Holdings Inc	9,830	11,556
Bridgebio Pharma Inc	4,924	5,672
Broadcom Inc	26,064	29,922
Burlington Stories Inc	6,601	7,149
CNX Resources Corp	2,362	2,065
Callaway Golf Co	4,000	5,431
Canadian Solar Inc	4,158	4,659
Carnival Corp	11,033	11,961
Cerence Inc	4,083	6,149
Chart Industries Inc	4,127	4,158
Chegg Inc	16,803	19,148
Cinemark Holdings Inc	4,732	3,977
Cleveland-Cliffs Inc	3,705	4,133
Cloudflare Inc	3,041	4,039
Colfax Corp	5,810	5,771
Conmed Corp	6,149	5,598
Copa Holdings SA	3,950	4,691
Coupa Software Inc	10,869	13,178
Cree Inc	3,286	4,592
Danaher Corp	19,312	23,900
Datadog Inc	3,095	3,960
Dexcom Inc	17,379	20,429
Dick's Sporting Goods Inc	5,045	9,155
Dish Network Corp	3,272	3,672
Docusign Inc	6,223	12,076
Envestnet Inc	9,218	9,038
Envista Holdings Corp	3,008	4,163
Etsy Inc	10,785	13,022
Exact Sciences Corp	8,465	9,324
Five9 Inc	5,050	6,042
Fortive Corp	6,119	6,554
	\$ 357,785	\$ 415,760

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, 2020

	Cost	Fair Value
Convertible Bonds, Continued		
GCI Liberty Inc	\$ 11,062	\$ 13,708
Guess? Inc	1,876	2,401
Hannon Armstrong Sustainable Infrastructure Capit	4,035	4,151
Heartland Bank	5,629	6,403
Helix Energy Solutions Group Inc	4,000	3,272
Hubspot Inc	7,978	8,873
Match Group FinanceCo Inc	6,728	10,175
Match Group FinanceCo 2 Inc	9,865	12,850
Illumina Inc	8,138	7,698
Insmed Inc	3,953	4,341
Inphi Corp	12,436	14,407
InSeeGo Corp	2,944	2,885
Insulet Corp	15,321	17,853
Invitae Corp	3,629	4,933
KBR Inc	4,443	4,510
KKR & Co Inc	5,051	4,940
K12 Inc	5,086	4,170
Lendingtree Inc	5,150	4,878
Liberty Media Corp	13,019	12,461
Live Nation Entertainment Inc	7,373	7,797
Livongo Health Inc	4,033	7,835
Lumentum Holdings Inc	17,846	18,093
Lyft Inc	3,263	3,120
Marcus Corp	2,260	2,047
Mercadolibre Inc	7,527	7,553
Meritor Inc	6,730	7,263
Microchip Technology Inc	19,572	23,630
Mongodb Inc	4,516	5,224
NCL Corporation LTD	12,199	15,214
Nanostring Technologies Inc	5,160	5,995
National Vision Holdings Inc	4,068	5,690
Neurocrine Biosciences Inc	9,346	8,250
Nice Ltd	5,075	5,018
Nuance Communications Inc	6,758	9,671
Okta Inc	12,140	14,485
On Semiconductor Corp	8,385	9,244
Pacira Biosciences Inc	9,375	9,701
Palo Alto Networks Inc	13,275	13,527
Pegasystems Inc	5,981	6,803
Penn National Gaming Inc	3,010	9,628
Pinduoduo Inc	8,213	7,245
Pioneer Natural Resources Co	7,630	7,707
Q2 Holdings Inc	6,897	7,349
RH	8,243	14,208
Repligen Corp	6,136	7,112
Revance Therapeutics Inc	4,164	4,216
Ringcentral Inc	11,977	12,944
Royal Caribbean Cruises Ltd	8,838	9,336
SSR Mining Inc	5,933	5,309
	<u>\$ 366,266</u>	<u>\$ 416,123</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, 2020

	Cost	Fair Value
Convertible Bonds, Continued		
Sabre GLBL Inc	\$ 4,293	\$ 4,701
Sarepta Therapeutics Inc	11,402	12,441
Sea Ltd	11,838	22,990
ServiceNow Inc	7,947	10,844
Shopify Inc	6,389	6,706
Snap Inc	15,452	18,006
Solaredge Technologies Inc	5,146	5,728
Southwest Airlines Co	5,993	7,830
Spirit Airlines Inc	4,600	4,359
Splunk Inc	18,310	20,175
Square Inc	15,042	24,690
Stanley Black & Decker Inc	8,234	9,586
Synaptics Inc	9,896	11,131
Tandem Diabetes Care Inc	5,145	6,462
Teladoc Health Inc	19,104	24,090
Teradyne Inc	8,139	10,206
Tesla Inc	40,889	111,797
2020 Cash Mandatory Exchangeable Trust	18,691	13,762
2020 Mandatory Exchangeable Trust	5,070	6,643
Twilio Inc	7,777	10,434
II-VI Inc	4,353	4,505
2U Inc	2,371	2,871
Wix.com Ltd	7,155	6,971
Wayfair Inc	13,475	18,950
Winnebago Industries Inc	5,283	5,407
Workday Inc	13,911	16,895
Joyy Inc	4,425	4,270
Zendesk Inc	9,446	10,676
Zillow Group Inc	13,596	23,303
Zscaler Inc	4,028	4,720
Zynga Inc	6,973	7,597
Aptiv PLC	9,215	9,649
	<u>323,588</u>	<u>458,395</u>
Subtotal - SSI Convertible	<u>1,047,639</u>	<u>1,290,278</u>
Total Mutual Funds, Equities, Fixed Income Securities and Convertible Funds	<u>\$ 9,022,617</u>	<u>\$ 10,184,591</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, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Money manager fees	\$ 275,102	417,286	402,150	15,136
Salaries and benefits	200,282	166,842	152,330	14,512
Consultancy fees	142,701	175,887	145,181	30,706
Conference travel	-	-	95,321	(95,321)
Contract services	72,000	72,000	72,000	-
Loan administration fee	64,000	63,500	68,150	(4,650)
Office supplies	62,567	61,626	54,885	6,741
Professional fees	50,000	50,000	48,626	1,374
Depreciation	37,732	26,932	26,754	178
Trustees' expenses	65,690	23,055	17,453	5,602
Audit	15,906	15,906	12,000	3,906
Rent and utilities	8,865	9,113	7,889	1,224
Repairs and maintenance	982	1,000	3,205	(2,205)
Money management administration	203,775	92,163	-	92,163
Total	<u>\$ 1,199,602</u>	<u>1,175,310</u>	<u>1,105,944</u>	<u>69,366</u>

See accompanying independent auditor's report.

**INDEPENDENT AUDITOR'S REPORTS ON
INTERNAL CONTROL AND ON COMPLIANCE**

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

YEAR ENDED SEPTEMBER 30, 2020

BCM, LLC

Suite 203 MH II Building
Marina Heights Business Park
P.O. Box 504053
Saipan MP, 96950



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, 2020, 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 September 9, 2021.

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.

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 Fax Nos. (671) 646-5045 (671) 472-2686

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
September 9, 2021

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

Schedule of Findings and Question Costs
Year Ended September 30, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
• Noncompliance material to financial statements?	None Reported

SECTION II – FINDINGS FINANCIAL STATEMENT AUDIT

Current Year Findings:

There were no financial statement audit findings reported during the fiscal year ending September 30, 2020.

SECTION III – FINDINGS ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Current Year Findings:

There were no audit findings reported or questioned costs for the fiscal year ending September 30, 2020.