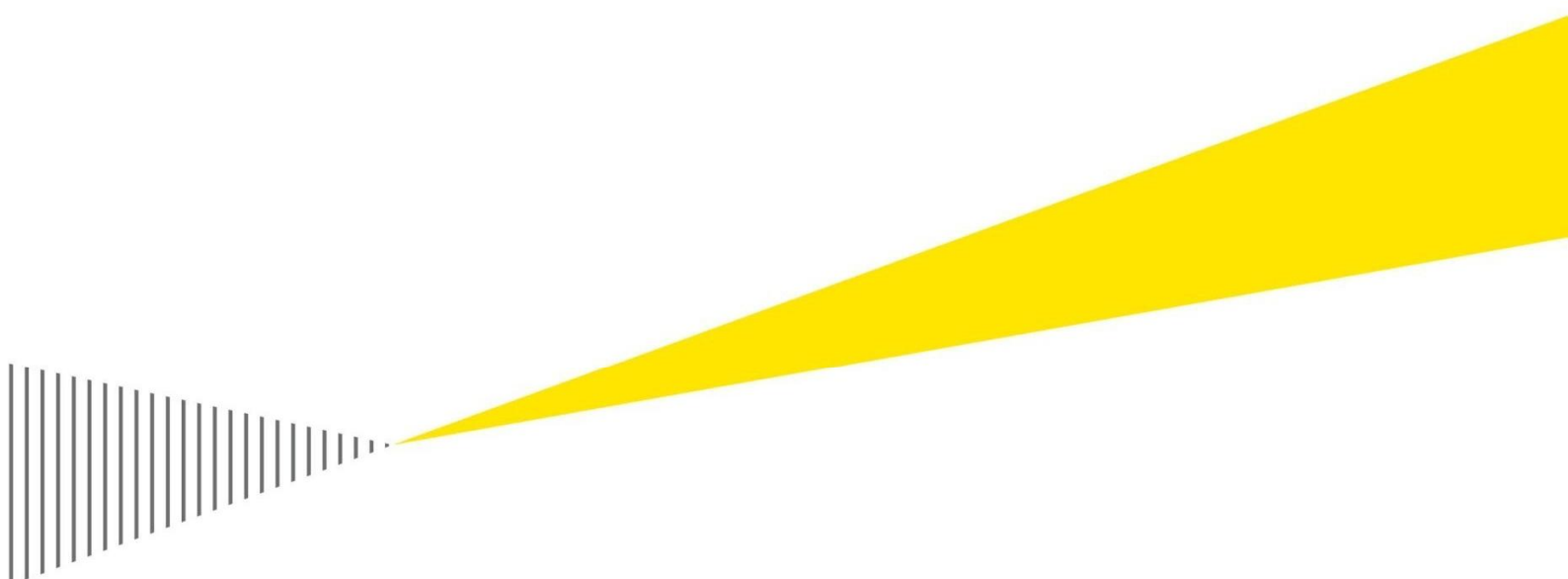


*Financial Statements and
Supplementary Information*

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the
Northern Mariana Islands)

*Years ended September 30, 2015 and 2014
with Report of Independent Auditors*



**Building a better
working world**

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Financial Statements and
Supplementary Information

Years ended September 30, 2015 and 2014

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Report of Independent Auditors

Management and 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 (the Trust), a component unit of the Commonwealth of the Northern Mariana Islands, which collectively comprise the statements of net position as of September 30, 2015 and 2014, 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marianas Public Land Trust as of September 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 4 through 12 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 which 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, 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.

Management has omitted the Schedule of Funding Progress and Actuarial Accrued Liability – Post Employment Benefits Other Than Pension that GASB requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the basis financial statements as a whole. The combining statement of net position, the combining statement of revenues, expenses and changes in net position, the combining statement of cash flows, the schedule of investments - general fund, the schedule of investments - park fund, and the schedule of administrative expenses compared to budget are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates 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. In our opinion, the supplementary information is 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 also have issued our report dated May 11, 2016 on our consideration of the Marianas Public Land Trust'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 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 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 Marianas Public Land Trust's internal control over financial reporting and compliance.

Ernst + Young

May 11, 2016



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, 2015. 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.

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.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

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 for MPLT, i.e., \$23,942,602 allocated to the MPLT General Fund and \$2,000,000 allocated to the MPLT Park Fund, MPLT received its initial funding over the period of thirteen months; \$5,000,000 was the first remittance received on July 19, 1983, followed by \$100,000 on January 20, 1984, \$14,080,046 on February 17, 1984, \$5,958,700 on April 13, 1984 and \$803,856 on August 27, 1984. In 1991, 2007, 2008, 2011, 2013, and 2014, additional distributions were received of \$1,000,000, \$1,250,000, \$3,500,000, \$1,000,000, \$307,109 and \$5,996,743, respectively, from the Marianas Public Land Corporation and its successors, including the Department of Public Lands. These amounts were treated as General Fund principal contributions.

Financial Highlights

The following financial highlights are taken from the audited financial statements for the years ended September 30, 2015, 2014 and 2013.

- The assets of MPLT increased in 2015 by \$3,056,205 over the amount at 2014. This was due primarily to the principal contribution of \$5,000,000, but this was offset by the declines of \$1,943,785 in the fair market value of the investments.

The assets of MPLT increased in 2014 by \$3,710,975 over the amount at 2013. This was due to principal contributions of \$1,303,852 and due to a continuing trend of increasing fair value of investments.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

Financial Highlights, continued

The assets of MPLT increased in 2013 by \$859,120 over the amount at 2012. This increase in assets was due to a continuing trend of increasing fair value of investments.

- Total liabilities for 2015 increased by \$3,036,414 from 2014 due primarily to \$1,444,964 increase of the amount due to the CNMI General Fund, and \$1,612,713 increase in the amount due to brokers, which is a function of security purchases that did not clear by year end.

Total liabilities for 2014 decreased by \$1,117,955 from 2013 due primarily to a decrease in the amount due to brokers, which is a function of security purchases that did not clear by year end.

Total liabilities for 2013 decreased by \$985,900 from 2012 due primarily to a decrease in the amount due to brokers, which is a function of security purchases that did not clear by year end.

- The above changes resulted in an increase of \$19,791 in total net position for 2015, increase of \$4,828,930 in total net position for 2014, and an increase in total net position of \$1,845,020 for 2013.
- Total revenues of MPLT are a combination of (1) gains (losses) attributable to the valuation of investments plus (2) income earned on such investments. Total operating revenues for 2015, 2014, and 2013 were **(\$1,943,785)**, \$5,382,094, and \$5,087,100, respectively.
- The total performance of MPLT for 2015 was **(2.27%)**, 2014 was 6.9%, and for 2013 was 6.2%.
- The overall administrative costs increased in 2015 by 9% or \$79,585, in 2014 by 10% or \$76,642, and decreased in 2013 by 1% or \$10,099.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

MPLT General Fund Operations

The investment income for 2015, 2014, and 2013 was \$2,717,945, \$1,627,366, and \$2,625,814, respectively.

The distributions to the CNMI General Fund paid for 2015, 2014, and 2013 was \$1,862,401, \$844,111, and \$1,908,543, respectively. The cumulative amount distributed to the CNMI General Fund since inception in 1983 has been \$56,483,092. This has occurred while growing the principal fund by \$33,992,558 for the same time-period. The General Fund's annual return for 2015 was (2.17%), 2014 was 6.82%, and 2013 was 5.91%.

The loan made to the Northern Marianas Housing Corporation (NMHC) became un-performing when NMHC defaulted in 2007 when P. L. 10-29 and 12-27 was 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 principal. Due to collection uncertainty for this investment, a write-down of value amounting to \$4,830,000 was recognized by MPLT as of September 30, 2015 (net current value of \$2,454,607).

General Fund Condensed Financial Statements Summaries

STATEMENTS OF NET POSITION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current assets	\$ 8,336,928	\$ 5,352,552	\$ 7,910,146
Others assets, restricted	62,157,389	64,560,150	58,319,988
Notes receivable - noncurrent portion	5,461,335	2,416,161	2,697,801
Capital assets	<u>292,844</u>	<u>286,621</u>	<u>322,814</u>
Total	<u>\$76,248,496</u>	<u>\$ 72,615,484</u>	<u>\$ 69,250,749</u>
<u>Liabilities and Net Position</u>			
Current liabilities	<u>\$ 3,259,484</u>	<u>\$ 232,589</u>	<u>\$ 1,220,126</u>
Net position:			
Invested in capital assets	292,844	286,621	322,814
Restricted	<u>72,696,168</u>	<u>72,096,274</u>	<u>67,707,809</u>
Net position	<u>72,989,012</u>	<u>72,382,895</u>	<u>68,030,623</u>
Total	<u>\$ 76,248,496</u>	<u>\$ 72,615,484</u>	<u>\$ 69,250,749</u>

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

General Fund Condensed Financial Statements Summaries, continued

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues (loss), net	\$(1,675,955)	\$ 4,675,799	\$ 4,376,670
Operating expenses	(855,527)	(783,268)	(716,715)
Non-operating income (expenses)	3,137,599	459,741	(1,909,098)
Change in net position	606,117	4,352,272	1,750,857
Beginning net position	72,382,895	68,030,623	66,279,766
Ending net position	<u>\$ 72,989,012</u>	<u>\$ 72,382,895</u>	<u>\$ 68,030,623</u>

STATEMENTS OF CASH FLOWS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities	\$ 1,472,419	\$ 864,762	\$ 1,760,252
Cash flows from noncapital financing activities	5,000,000	---	---
Cash flows from capital and related financing activities	(44,125)	1,298,475	(16,120)
Cash flows from investing activities	(6,621,896)	(2,803,348)	(3,400,293)
Net increase (decrease) in cash and cash equivalents	(193,602)	(640,111)	(1,656,161)
Cash and cash equivalents at beginning of year	1,548,577	2,188,688	3,844,849
Cash and cash equivalents at end of year	<u>\$ 1,354,975</u>	<u>\$ 1,548,577</u>	<u>\$ 2,188,688</u>

Capital Assets

At September 30, 2015, 2014, and 2013, MPLT had \$292,844, \$286,621, and \$322,814, respectively, in capital assets, net of accumulated depreciation where applicable, including furniture, fixtures and equipment, vehicles and land, which represent a net increase in 2015 of \$6,223, decrease in 2014 of \$36,193, and a decrease in 2013 of \$25,522. See note 3 to the financial statements for more information on MPLT's capital assets.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

Goals and Objectives

It is the intent of MPLT to continue to monitor its investment portfolio to ensure an adequate risk-adjusted rate of return is achieved. This is the phase of the Five-Step Investment Management Process, i.e., analyze, diversify, formalize, implement and monitor; that MPLT is currently performing. This involves periodic rebalancing of the portfolio to comply with its asset allocation investment policy. Occasionally, the Trustees may find it necessary or desirable to add additional asset classes, which require amendment of its Investment Policy Statement. It is MPLT's fiduciary duty to continue to follow the well-established prudent investment management practices.

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 2015 was (3.12%), 2014 was 8.36%, and 2013 was 8.59%. The Park Fund has not suffered local investment losses as it only invests to benefit the American Memorial Park. As stated previously, the Park Fund received its principal funding from the lease proceeds of a portion of the Tinian, Tanapag Harbor, Farallon de Medinilla land lease revenues. The \$2,000,000 for the Tanapag Harbor in Saipan was dedicated to the formation of the American Memorial Park. The income on this principal contribution can only be used for the maintenance and development of the American Memorial Park (AMP). Accordingly, this initial principal contribution has been prudently managed since 1983 and has grown to \$8,414,391. This has been accomplished while distributing \$6,290,489 for AMP maintenance and development.

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 used 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 is to be repaid from future income realized on the Park Fund investments. As income is received, the principal portion of the payment will be taken from the income stream and transferred to principal and re-invested. The term of the loan is fifteen years at an annual rate of 6.5%. The monthly principal and interest payment will be about \$17,400. It is through this mechanism that MPLT has been able to benefit the Park and sustain new development.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

Park Fund Condensed Financial Statements Summaries

STATEMENTS OF NET POSITION

<u>Assets</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 387,023	\$ 399,350	\$ 453,616
Others assets, restricted	7,682,332	8,076,375	7,382,769
Notes receivable - noncurrent portion	<u>381,014</u>	<u>533,343</u>	<u>831,943</u>
Total	<u>\$ 8,450,369</u>	<u>\$ 9,009,068</u>	<u>\$ 8,668,328</u>
<u>Liabilities and Net Position</u>			
Current liabilities	<u>\$ 35,978</u>	<u>\$ 8,351</u>	<u>\$ 144,269</u>
Net position:			
Restricted principal	8,414,391	9,000,717	8,503,408
Restricted income	<u>---</u>	<u>---</u>	<u>20,651</u>
Net position	<u>8,414,391</u>	<u>9,000,717</u>	<u>8,524,059</u>
Total	<u>\$ 8,450,369</u>	<u>\$ 9,009,068</u>	<u>\$ 8,668,328</u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues	\$(267,830)	\$ 706,295	\$ 710,430
Operating expenses	(93,552)	(86,226)	(76,137)
Non-operating expenses, net	<u>(224,944)</u>	<u>(143,411)</u>	<u>(540,130)</u>
Change in net position	(586,326)	476,658	94,163
Beginning net position	<u>9,000,717</u>	<u>8,524,059</u>	<u>8,429,896</u>
Ending net position	<u>\$ 8,414,391</u>	<u>\$ 9,000,717</u>	<u>\$ 8,524,059</u>

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

STATEMENTS OF CASH FLOWS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities	\$ 209,725	\$ 71,044	\$ 444,006
Cash flows from investing activities	<u>(192,286)</u>	<u>(203,105)</u>	<u>(334,132)</u>
Net increase (decrease) in cash and cash equivalents	17,439	(132,061)	109,874
Cash and cash equivalents at beginning of year	<u>152,453</u>	<u>284,514</u>	<u>174,640</u>
Cash and cash equivalents at end of year	<u>\$ 169,892</u>	<u>\$ 152,453</u>	<u>\$ 284,514</u>

Goals and Objectives

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. Currently, improvements are being made to the tennis court and surrounding areas.

Economic Outlook

MPLT suffered in 2008 its largest loss of principal since 2002. This was due to the World-wide credit collapse and resulting recession. 2009 began a recovery of investment values and fortunately, due to our investment discipline, MPLT has recovered from the 2008 losses, but 2015 was a year of uncertainty and increasing volatility. Accordingly MPLT was not able to add value to the portfolio. The outlook for 2016 appears to be similar to 2015 as the world-wide markets continue to be very volatile. As 2016 began, the economic forecasts were not favorable for a recovery and return to an economic growth cycle. This will likely force the Federal Reserve to continue its stimulus programs. If the Federal Reserve reduces its stimulus program, the financial markets are certain to suffer. There is also the potential for deflation. These factors will likely keep equity value growth muted. Also, the bond market would suffer as interest rates begin to increase. It will likely take many years before the U.S. experiences a booming economy once again. 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.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Management's Discussion and Analysis, continued

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, 2015 is set forth in the report on the audit of MPLT's financial statements, which is dated May 11, 2016. The Discussion and Analysis explains the major factors impacting the 2015 financial statements. If you have questions about this report or the 2014 or 2013 reports 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
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statements of Net Position

	September 30,	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,524,867	\$ 1,701,030
Receivables:		
Notes receivable, current portion	5,167,172	3,569,689
Accrued income	342,500	366,502
Others	20,440	24,802
Due from brokers	1,640,033	81,500
Prepaid expenses	6,006	3,554
Total current assets	8,701,018	5,747,077
Noncurrent assets:		
Notes receivable, net of current portion and allowance for loan losses	5,842,349	2,949,504
Investments	69,208,721	71,996,525
Foreclosed properties	631,000	640,000
Capital assets, net	292,844	286,621
Total noncurrent assets	75,974,914	75,872,650
Total assets	\$ 84,675,932	\$ 81,619,727
Liabilities and net position		
Current liabilities:		
Accounts payable	\$ 1,653,009	\$ 227,407
Due to brokers	1,612,713	---
Accrued expenses	6,807	8,708
Total liabilities	3,272,529	236,115
Net position:		
Invested in capital assets	292,844	286,621
Restricted	81,110,559	81,096,991
Total net position	81,403,403	81,383,612
Total liabilities and net position	\$ 84,675,932	\$ 81,619,727

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statements of Revenues, Expenses and Changes in Net Position

	Year ended September 30,	
	<u>2015</u>	<u>2014</u>
Operating revenues:		
Net (decrease) increase in the fair value of investments	\$(4,982,342)	\$ 3,400,134
Investment income, net	2,450,467	1,454,846
Interest income:		
Notes receivable	580,136	377,766
Other	<u>2,155</u>	<u>900</u>
	(1,949,584)	5,233,646
(Loss) recoveries through foreclosure of assets	(9,000)	135,345
Reversal of provision for doubtful accounts	11,113	10,266
Other income	<u>3,686</u>	<u>2,837</u>
Total operating (loss) revenues	(<u>1,943,785</u>)	<u>5,382,094</u>
Operating expenses:		
Money manager fees	266,862	224,361
Money management administration	138,054	83,068
Salaries and benefits	133,153	112,860
Consultancy fees	129,583	130,956
Contract service	72,678	72,000
Office supplies	57,544	56,372
Professional fees	39,340	55,264
Depreciation and amortization	37,902	41,570
Loan administration fee	33,777	34,879
Audit	16,642	16,105
Rent and utilities	10,785	12,239
Trustees' expenses	6,921	11,462
Repairs and maintenance	5,838	1,483
Insurance	---	<u>16,875</u>
Total operating expenses	<u>949,079</u>	<u>869,494</u>
Operating (loss) income	(<u>2,892,864</u>)	<u>4,512,600</u>
Non-operating revenues (expenses):		
Contribution from DPL	5,000,000	1,303,852
Net distribution to the CNMI General Fund/American Memorial Park	(<u>2,087,345</u>)	(<u>987,522</u>)
Total non-operating revenues, net	<u>2,912,655</u>	<u>316,330</u>
Increase in net position	19,791	4,828,930
Net position at beginning of year	<u>81,383,612</u>	<u>76,554,682</u>
Net position at end of year	<u>\$ 81,403,403</u>	<u>\$ 81,383,612</u>

See accompanying notes

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statements of Cash Flows

	Year ended September 30,	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from operations	\$ 3,118,988	\$ 1,703,379
Cash payments to suppliers	(<u>1,436,844</u>)	(<u>767,573</u>)
Net cash provided by operating activities	<u>1,682,144</u>	<u>935,806</u>
Cash flows from noncapital financing activity:		
Cash received from DPL	<u>5,000,000</u>	<u>1,303,852</u>
Cash flows from capital and related financing activity:		
Acquisition of property and equipment	(<u>44,125</u>)	(<u>5,377</u>)
Cash flows from investing activities:		
Net (increase) decrease in notes receivable	(4,619,644)	392,752
Net increase in investments	(<u>2,194,538</u>)	(<u>3,399,205</u>)
Net cash used in investing activities	(<u>6,814,182</u>)	(<u>3,006,453</u>)
Net decrease in cash and cash equivalents	(176,163)	(772,172)
Cash and cash equivalents at beginning of year	<u>1,701,030</u>	<u>2,473,202</u>
Cash and cash equivalents at end of year	\$ <u>1,524,867</u>	\$ <u>1,701,030</u>
Reconciliation of operating (loss) income to net cash provided by operating activities:		
Operating (loss) income	\$(2,892,864)	\$ 4,512,600
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Net decrease (increase) in fair value of investments	4,982,342	(3,400,134)
Depreciation and amortization	37,902	41,570
(Loss) through foreclosure of assets	9,000	---
Recovery of notes receivable	(11,113)	(145,611)
(Increase) decrease in assets:		
Receivable-accrued income	(323,253)	191,810
Other receivable	4,362	(14,039)
Due from brokers	(1,558,533)	1,104,474
Prepaid expenses	(2,452)	36,688
Increase (decrease) in liabilities:		
Accounts payable	(174,059)	22,937
Due to brokers	1,612,713	(1,296,315)
Accrued expenses	(<u>1,901</u>)	<u>726</u>
Net cash provided by operating activities	\$ <u>1,682,144</u>	\$ <u>1,054,706</u>

See accompanying notes.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Statements of Cash Flows, continued

Supplemental schedule of noncash operating, financing and investing activities:

MPLT applied \$262,740 and \$844,111 of the required income distribution to the CNMI General Fund for the years ended September 30, 2015 and 2014, respectively, as a repayment of the CNMI's note receivable and related interest.

	Year ended September 30,	
	<u>2015</u>	<u>2014</u>
Increase in accounts payable	\$(1,599,661)	\$ ---
Decrease in notes receivable	---	(799,009)
Decrease in accrued interest receivable	(262,740)	(45,102)
Increase in net distribution	<u>1,862,401</u>	<u>844,111</u>
	\$ <u>---</u>	\$ <u>---</u>

MPLT applied \$224,944 and \$143,411 of the required income distribution of the American Memorial Park Fund for the years ended September 30, 2015 and 2014, respectively, as a repayment of Commonwealth Development Authority's note receivable and related interest.

Decrease in notes receivable	\$(140,429)	\$(136,600)
Decrease in accrued interest receivable	(84,515)	(6,811)
Increase in net distribution	<u>224,944</u>	<u>143,411</u>
	\$ <u>---</u>	\$ <u>---</u>

See accompanying notes.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements

For the years ended September 30, 2015 and 2014

1. Organization and Summary of Significant Accounting Policies

Organization

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 administrative expenses.

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 Government. 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 Government.

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 allocate 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.

Basis of Accounting

MPLT utilizes the flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States as applied to governmental units using the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Marianas Public Land Trust
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Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies

Net Position

Net position represents the residual interest in MPLT's assets after liabilities are deducted and consist of the following:

Net investment in capital assets

Capital assets, net of accumulated depreciation.

Restricted

Nonexpendable – Net position subject to externally imposed stipulations that require MPLT to maintain them permanently.

Expendable – Net position whose use by MPLT is subject to externally imposed stipulations that can be fulfilled by actions of MPLT pursuant to those stipulations or that expire with the passage of time.

All of MPLT's restricted net position at September 30, 2015 and 2014 are expendable.

Unrestricted

The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted components of net position. MPLT does not have unrestricted net position at September 30, 2015 and 2014.

Cash and Cash Equivalents

For purposes of the statements of net position and cash flows, cash and cash equivalents includes all cash in banks and money market sweep deposits with initial maturities of ninety days or less.

At September 30, 2015 and 2014, cash and cash equivalents consisted of the following:

	<u>2015</u>	<u>2014</u>
Custodian money market sweep deposits	\$1,413,533	\$1,384,343
Deposits with federally insured banks	107,830	312,812
Uninsured deposits	<u>3,504</u>	<u>3,875</u>
	<u>\$1,524,867</u>	<u>\$1,701,030</u>

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents, continued

As of September 30, 2015 and 2014, custodian money market sweep deposits 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.

MPLT maintains its cash and investments in bank accounts which exceed federal depository insurance limits. At September 30, 2015 and 2014, \$250,000 of MPLT's deposits in each bank is covered by federal depository insurance, with the remainder being uninsured and uncollateralized.

Investments

Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale and are primarily determined based on quoted market values.

Foreclosed and Repossessed Assets

Foreclosed and repossessed assets are stated at lower of cost or fair value. Subsequent to foreclosure, valuations are periodically performed and the assets are carried at the lower of carrying amount or fair value less cost to sell.

Capital Assets

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

Operating and Non-Operating Revenue and Expenses

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

Non-operating revenues and expenses result from capital and non-capital financing activities.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

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 as a reduction to revenues. 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.

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.

Interest income on loans is recorded based on collection while interest income on other notes receivable is accrued based on the unpaid principal balance.

Defined Contribution Plan (DC Plan)

On June 16, 2006, Public Law No. 15-13 was enacted which created the 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 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, 2015, 2014 and 2013 were \$4,675, \$3,922, and \$3,631, respectively, equal to the required contributions for each year.

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

GASB Statement No. 45 requires employers to record other postemployment benefits (OPEB) expense for their contractually required contributions to the OPEB plan. MPLT has complied with GASB 45 by recording OPEB expense based on the statutory determined contribution rate of the Northern Mariana Islands Retirement Fund (the Fund). MPLT's OPEB liability is incorporated into the contribution amount. It is the understanding of the management of MPLT that the statutory determined contribution rate of the Fund incorporated both the pension liability and the OPEB liability.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Defined Contribution Plan (DC Plan), continued

GASB 45 also requires detail disclosure of information related to the OPEB plan and MPLT management was unable to obtain this information from the Fund's financial report. MPLT management is unable to obtain the required disclosures and is of the opinion that such information must be obtained from the Fund. It is the position of the management of MPLT that the Fund is solely responsible for disclosure of OPEB information.

On August 30, 2012, Public Law 17-79 was enacted to amend Title I of the Commonwealth Code to include the intent of the CNMI to participate in the retirement insurance system established by Title II of the U.S. Federal Insurance Contributions Act (FICA) and for participation to be extended to elected officials, employees, political subdivisions and instrumentalities of the CNMI. On September 11, 2012, Public Law 17-82 *CNMI Pension Reform Recovery Act of 2012* was enacted. Unless specifically exempted or authorized by federal law, Public Law 17-82 provides for mandatory membership of CNMI Government employees and elected officials in the U.S. Social Security system and authorizes employees, who elect to, to buy quarters of service in the U.S. Social Security system from contributions made to the Defined Benefit plan (DB Plan). In addition, Public Law 17-82 provides active and inactive DB Plan members the option to voluntarily terminate membership in the DB Plan, withdraw or roll over contributions to the DC Plan and to participate in the U.S. Social Security system without termination of employment or penalty. Further, Public Law 17-82 allows the CNMI Government to continue remitting its 4% employer contribution to the DC Plan unless the employee ceases to contribute its employee share. On March 11, 2013, Public Law 18-02 was enacted to amend Title 1, Division 8, Part 3 of Public Law 17-82 to clarify that the option to voluntarily terminate membership in the DB Plan, withdraw or roll over contributions to the DC Plan and to participate in the U.S. Social Security system without termination of employment or penalty is open to active or inactive DB Plan members who are not retired from the government.

Recently Adopted Accounting Pronouncement

As of October 1, 2014, MPLT implemented the following GASB pronouncements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources.

GASB Statement No. 71, *Pension Transition for Contributions Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which requires contributions made by participating employers to pension plans after the Measurement Date for the Net Pension Liability but before the end of the financial statement period for the employer be reported as deferred outflows of resources.

Implementation of the aforementioned statements did not have any impact on MPLT's accompanying financial statements as MPLT's retirees and current employees are members of the DC Plan.

Marianas Public Land Trust
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Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Recently Adopted Accounting Pronouncement, continued

In January 2013, GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and reporting standards related to government combinations and disposals of government operations.

The implementation of the GASB Statement No. 69 did not have any impact on MPLT's accompanying financial statements.

Upcoming Accounting Pronouncements

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB Statement No. 72 will be effective for MPLT for fiscal year ending September 30, 2016.

In June 2015, GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement establishes accounting and financial reporting standards for pensions that do not meet the requirements set forth in Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68, Accounting and Financial Reporting for Pensions, and makes some modifications to GASB Statements No. 67 and 68. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. GASB Statement No. 73 will become effective for MPLT for fiscal year ending September 30, 2017.

In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for periods beginning after June 15, 2016. This Statement replaces Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. GASB Statement No. 74 will be effective for MPLT for fiscal year ending September 30, 2017.

Marianas Public Land Trust
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Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for periods beginning after June 15, 2017. This Statement replaces the requirement of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. GASB Statement No. 75 will be effective for MPLT for fiscal year ending September 30, 2018.

In June 2015, GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. GASB Statement No. 76 will be effective for MPLT for fiscal year ending September 30, 2016.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. GASB Statement No. 77 will be effective for MPLT for fiscal year ending September 30, 2017.

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. GASB Statement No. 78 will be effective for MPLT for fiscal year ending September 30, 2017.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. GASB Statement No. 79 will be effective for MPLT for fiscal year ending September 30, 2017.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The Statement is intended to provide clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. GASB Statement No. 80 will be effective for MPLT for fiscal year ending September 30, 2017.

Marianas Public Land Trust
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Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Upcoming Accounting Pronouncements, continued

In March 2016, GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. The Statement is intended to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB Statement No. 81 will be effective for MPLT for fiscal year ending September 30, 2018.

In March 2016, GASB issued Statement No. 82, Pension Issues an amendment of GASB Statements No. 67, No. 68 and No. 73. The Statement addresses issues regarding (1) presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 81 will be effective for MPLT for fiscal year ending September 30, 2017.

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

2. Investments

MPLT values its investments at fair value in accordance with GASB Statement 31. MPLT's investments as of September 30, 2015 and 2014 (with combining information as of September 30, 2015) are as follows:

	<u>General Fund</u>	<u>Park Fund</u>	<u>2015</u>	<u>2014</u>
Mutual Funds	\$ 6,366,389	\$ 786,537	\$ 7,152,926	\$ 7,755,757
Equities:				
Domestic common stock	24,583,228	3,310,458	27,893,686	30,006,341
International common stock	2,261,874	307,830	2,569,704	3,577,967
International preferred stock	---	---	---	97,455
Fixed income securities:				
Asset and mortgage backed securities	10,866,907	1,412,872	12,279,779	10,225,543
Government bonds	10,663,869	1,035,052	11,698,921	10,996,769
Corporate bonds	<u>6,784,122</u>	<u>829,583</u>	<u>7,613,705</u>	<u>9,336,693</u>
	<u>\$ 61,526,389</u>	<u>\$7,682,332</u>	<u>\$69,208,721</u>	<u>\$71,996,525</u>

Marianas Public Land Trust
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Notes to Financial Statements, continued

2. Investments, continued

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, 2015 and 2014:

Investment Type	2015					Credit Rating
	Investment Maturities (In Years)					
	Fair Value	Less Than 1	1-5	6-10	More Than 10	
Asset and mortgage backed securities	\$ 15,015	\$ ---	\$ ---	\$ ---	\$ 15,015	AAA
Asset and mortgage backed securities	10,623,385	260,256	7,724,227	1,088,664	1,550,238	AA+
Asset and mortgage backed securities	1,641,379	1,641,379	---	---	---	A
Government bonds	11,698,921	---	4,454,448	---	7,244,473	AA+
Corporate bonds	458,728	---	---	458,728	---	AA+
Corporate bonds	324,595	---	---	324,595	---	AA-
Corporate bonds	940,524	---	---	940,524	---	A+
Corporate bonds	277,187	---	---	277,187	---	A
Corporate bonds	1,698,181	---	---	1,698,181	---	A-
Corporate bonds	34,225	---	---	34,225	---	BBB
Corporate bonds	447,696	---	76,616	371,080	---	BBB-
Corporate bonds	461,284	---	150,589	310,695	---	BB+
Corporate bonds	563,502	---	108,022	455,480	---	BB
Corporate bonds	660,297	---	149,245	511,052	---	BB-
Corporate bonds	645,784	---	66,700	579,084	---	B+
Corporate bonds	290,245	---	141,410	148,835	---	B
Corporate bonds	476,582	---	143,692	332,890	---	B-
Corporate bonds	334,875	---	33,540	273,362	27,973	CCC+
	<u>\$ 31,592,405</u>	<u>\$ 1,901,635</u>	<u>\$ 13,048,489</u>	<u>\$ 7,804,582</u>	<u>\$ 8,837,699</u>	

Marianas Public Land Trust
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Notes to Financial Statements, continued

2. Investments, continued

Investment Type	2014						Credit Rating
	Fair Value	Investment Maturities (In Years)				More Than 10	
		Less Than 1	1-5	6-10	More Than 10		
Asset and mortgage backed securities	\$ 41,449	\$ ---	\$ ---	\$ ---	\$ 41,449	AAA	
Asset and mortgage backed securities	5,456,254	---	1,868,857	867,212	2,720,185	AA+*	
Asset and mortgage backed securities	4,727,840	---	4,727,840	---	---	AA+	
Government bonds	10,996,769	---	2,153,155	4,917,483	3,926,131	AA+*	
Corporate bonds	878,997	---	---	878,997	---	AA+	
Corporate bonds	321,448	---	---	321,448	---	AA-	
Corporate bonds	1,569,413	158,227	556,882	854,304	---	A	
Corporate bonds	2,304,667	---	---	2,304,667	---	A-	
Corporate bonds	562,121	---	---	562,121	---	BBB+	
Corporate bonds	307,363	---	83,562	223,801	---	BBB-	
Corporate bonds	381,412	---	---	381,412	---	BB+	
Corporate bonds	917,739	---	149,970	767,769	---	BB	
Corporate bonds	671,497	---	76,285	520,447	74,765	BB-	
Corporate bonds	420,345	---	115,521	304,824	---	B+	
Corporate bonds	403,155	---	37,125	366,030	---	B	
Corporate bonds	412,911	---	185,470	227,441	---	B-	
Corporate bonds	70,350	---	---	70,350	---	CCC+	
Corporate bonds	<u>115,275</u>	<u>---</u>	<u>---</u>	<u>115,275</u>	<u>---</u>	NA	
	<u>\$ 30,559,005</u>	<u>\$ 158,227</u>	<u>\$ 9,954,667</u>	<u>\$ 13,683,581</u>	<u>\$ 6,762,530</u>		

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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, 2015, MPLT's investment in Department of Treasury and U.S. agency obligations of the Federal National Mortgage Association constituted 17% and 6%, respectively, of its total investments. As of September 30, 2014, MPLT's investment in U.S. agency obligations of the Freddie Mac Federal Home Loan Mortgage Corporation and Department of Treasury constituted 5% and 15%, respectively, of its total 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 investments or collateral securities that are in the possession of an outside party.

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Notes to Financial Statements, continued

3. Capital Assets

A summary of capital assets as of September 30, 2015 and 2014 is as follows:

	<u>Useful Lives</u>	Balance at October 1, 2014	<u>Additions</u>	<u>Deletions</u>	<u>Impairment</u>	Balance September 30, 2015
Land	---	\$ 116,000	\$ ---	\$ ---	\$ ---	\$ 116,000
Building	5-10 years	193,167	1,425	---	---	194,592
Furniture, fixtures, equipment	3-10 years	123,430	42,700	---	---	166,130
Vehicle	3-10 years	<u>46,225</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>46,225</u>
		478,822	44,125	---	---	522,947
Less accumulated depreciation		<u>192,201</u>	<u>37,902</u>	<u>---</u>	<u>---</u>	<u>230,103</u>
		<u>\$ 286,621</u>	<u>\$ 6,223</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 292,844</u>

	<u>Useful Lives</u>	Balance at October 1, 2013	<u>Additions</u>	<u>Deletions</u>	<u>Impairment</u>	Balance September 30, 2014
Land	---	\$ 116,000	\$ ---	\$ ---	\$ ---	\$ 116,000
Building	5-10 years	193,167	---	---	---	193,167
Furniture, fixtures, equipment	3-10 years	118,053	5,377	---	---	123,430
Vehicle	3-10 years	<u>46,225</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>46,225</u>
		473,445	5,377	---	---	478,822
Less accumulated depreciation		<u>150,631</u>	<u>41,570</u>	<u>---</u>	<u>---</u>	<u>192,201</u>
		<u>\$ 322,814</u>	<u>\$ (36,193)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 286,621</u>

4. Notes Receivable

At September 30, 2015 and 2014, notes receivable consist of the following:

	<u>2015</u>	<u>2014</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, with interest at 2% (5.5% to 8.5% prior to January 1, 2009) and terms from ten to thirty years	\$7,284,607	\$ 7,653,850

Marianas Public Land Trust
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Notes to Financial Statements, continued

4. Notes Receivable, continued

	<u>2015</u>	<u>2014</u>
Note receivable from Adelantun Publickun Luta Enteramente, Incorporated (APLE 501, Inc.), with interest at 5% per annum, due on October 18, 2017, with monthly principal and interest payments in the amount of \$1,225, and 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.	90,155	101,289
Note receivable from the Commonwealth Development Authority (CDA), with interest at 6.5% per annum, due on June 1, 2018, collateralized by future distributable net income for the maintenance and development of the American Memorial Park and is to be repaid from earnings of the investments pursuant to CNMI Public Law 11-72	554,914	695,343
Note receivable from the CNMI Government, with interest at 7% per annum, due on December 28, 2019. Public Law 18-71 earmarks and appropriates from future interest income distribution starting fiscal year 2016 until the note is fully reimbursed. Interest is due annually	5,000,000	---
Note receivable from the Commonwealth Healthcare Corporation (CHCC), with interest at 5% per annum (interest at 7% per annum in fiscal year 2014), due on June 10, 2016. Collateralized by future distributable income of fiscal year 2015 and CHCC's real properties for CHCC's operational and bridge capital pursuant to CNMI Public Law 17-76	<u>3,000,000</u>	<u>3,000,000</u>
	15,929,676	11,450,482
Less allowance for loan losses	<u>4,920,155</u>	<u>4,931,289</u>
	11,009,521	6,519,193
Less current portion	<u>5,167,172</u>	<u>3,569,689</u>
	<u>\$ 5,842,349</u>	<u>\$ 2,949,504</u>

Marianas Public Land Trust
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Notes to Financial Statements, continued

4. Notes Receivable, continued

An analysis of the change in the allowance for loan losses for the years ended September 30, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Balance at beginning of the year	\$ 4,931,289	\$ 4,941,555
Reversal of provision for doubtful accounts	(11,134)	(10,266)
Balance at end of the year	<u>\$ 4,920,155</u>	<u>\$ 4,931,289</u>

The following presents the balance in the allowance for loan losses disaggregated on the basis of MPLT's impairment measurement method and the related recorded investment in loans as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<u>Related Investment</u>		
Individually evaluated for impairment	\$ 8,645,069	\$ 3,796,632
Collectively evaluated for impairment	<u>7,284,607</u>	<u>7,653,850</u>
	<u>\$15,929,676</u>	<u>\$11,450,482</u>
<u>Related Allowance</u>		
Individually evaluated for impairment	\$(90,155)	\$(101,289)
Collectively evaluated for impairment	<u>(4,830,000)</u>	<u>(4,830,000)</u>
	<u>\$(4,920,155)</u>	<u>\$(4,931,289)</u>

Credit Quality Indicators

MPLT uses several credit quality indicators to manage credit risk in an on-going manner. MPLT's primary credit quality indicators are based on the results of aging analysis. A monthly general provision is calculated based on the portfolio aging (current, 1-30 days, 31-60 days, 61-90 days, 91-120 days and 121+days). A specific reserve is provided for the net realizable value of the loans identified as uncollectable.

	<u>2015</u>
Current	\$11,366,073
1 - 30 days	149,079
31 - 60 days	464,167
61 - 90 days	---
91 - 120 days	625,090
More than 120 days	<u>3,325,267</u>
	<u>\$15,929,676</u>

Marianas Public Land Trust
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Notes to Financial Statements, continued

4. Notes Receivable, continued

Modifications

A modification of a loan constitutes a Troubled Debt Restructuring (TDR) when MPLT for economic or legal reasons related to a borrower's financial difficulties grants a concession to the borrower that it would not otherwise consider. MPLT offers various types of concessions when modifying a loan. Loans modified in a TDR involve reduction in regular monthly principal and interest payments and maturity term extensions to accommodate the borrower's financial needs for a period of time. As of September 30, 2015 loans that had been modified in a TDR totaled \$309,540 which was all modified during the year ended September 30, 2013.

5. Net Position

In accordance with MPLT's accounting policies, gains and losses on investments are allocated to principal. In addition, a portion of distribution from the CNMI government is specifically designated as an increase in principal. Movement in principal and interest accounts for the years ended September 30, 2015 and 2014 is summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>2015</u>	<u>2014</u>
General Fund				
Balance at beginning of year	\$ 72,382,895	\$ ---	\$ 72,382,895	\$ 68,030,623
Net (decrease) increase in the fair value of investments	(4,396,013)	---	(4,396,013)	2,902,822
Other operating net income	2,130	1,862,401	1,864,531	989,709
Contribution (distribution)	<u>5,000,000</u>	<u>(1,862,401)</u>	<u>3,137,599</u>	<u>459,741</u>
Balance at of year	<u>\$ 72,989,012</u>	<u>\$ ---</u>	<u>\$ 72,989,012</u>	<u>\$ 72,382,895</u>
Park Fund				
Balance at beginning of year	\$ 9,000,717	\$ ---	\$ 9,000,717	\$ 8,524,059
Net (decrease) increase in the fair value of investments	(586,329)	---	(586,329)	497,312
Other operating net income	3	224,944	224,947	122,757
Distribution	<u>---</u>	<u>(224,944)</u>	<u>(224,944)</u>	<u>(143,411)</u>
Balance at of year	<u>\$ 8,414,391</u>	<u>\$ ---</u>	<u>\$ 8,414,391</u>	<u>\$ 9,000,717</u>

Marianas Public Land Trust
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Notes to Financial Statements, continued

6. Contributions To/From CNMI Government

In accordance with Article XI of the Constitution of the CNMI, MPLT makes operating distributions to the CNMI general fund from investment income. During the years ended September 30, 2015 and 2014, MPLT recorded \$1,862,401 and \$844,111, respectively, of distributions to the CNMI general fund, of which nil and \$644,312, respectively, was offset against a note receivable from the CNMI Government and \$262,740 and \$45,102 was used as offset against interest income receivable from the CNMI general fund. In addition, in accordance with Section 5 of Article XI, the CNMI Department of Public Lands distributed \$5,000,000 and \$1,300,000 to MPLT during the years ended September 30, 2015 and 2014, respectively.

In accordance with Article VIII, Section 803(e) of the Covenant, MPLT makes operating distributions for the development and maintenance of the American Memorial Park. During the years ended September 30, 2015 and 2014, MPLT recorded \$224,944 and \$143,411, respectively, for distributions for this purpose.

7. Risk Management

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

8. Related Parties

One trustee of MPLT has a home loan outstanding of \$55,930 and \$57,625 as of September 30, 2015 and 2014, respectively, and the legal counsel of MPLT has a home loan outstanding of \$38,698 and \$47,450 as of September 30, 2015 and 2014, respectively. The home loans were obtained from NMHC in the ordinary course of business and are classified as notes receivable in the accompanying financial statements. All of these loans predate the assumption of the portfolio by MPLT from NMHC.

As of September 30, 2015 and 2014, MPLT has receivables from its trustees and employees totaling \$20,440 and \$24,802, respectively, for cash and travel advances.

9. Commitment

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

Marianas Public Land Trust
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Notes to Financial Statements, continued

10. Contingency

In accordance with the Settlement Agreement with NMHC, MPLT guarantees Service Released Loans that were issued by financial institutions. At September 30, 2015 and 2014, MPLT was contingently liable to these institutions for \$778,483 and \$880,587, respectively. MPLT records liabilities upon receipt of default notices from NMHC.

Supplementary Information

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Combining Statement of Net Position

September 30, 2015

	General Fund	Park Fund	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,354,975	\$ 169,892	\$ -	\$ 1,524,867
Receivables:				
Notes receivable, current portion	4,993,272	173,900	-	5,167,172
Accrued income	311,261	31,239	-	342,500
Others	20,440	-	-	20,440
Due from other funds	22,933	-	(22,933)	-
Due from brokers	1,628,041	11,992	-	1,640,033
Prepaid expenses	6,006	-	-	6,006
Total current assets	8,336,928	387,023	(22,933)	8,701,018
Noncurrent assets:				
Notes receivable, net of current portion and allowance for loan losses	5,461,335	381,014	-	5,842,349
Investments	61,526,389	7,682,332	-	69,208,721
Foreclosed properties	631,000	-	-	631,000
Capital assets, net	292,844	-	-	292,844
Total noncurrent assets	67,911,568	8,063,346	-	75,974,914
Total assets	\$ 76,248,496	\$ 8,450,369	\$(22,933)	\$ 84,675,932
Liabilities and net position				
Current liabilities:				
Accounts payable	\$ 1,650,061	\$ 2,948	\$ -	\$ 1,653,009
Due to brokers	1,602,616	10,097	-	1,612,713
Accrued expenses	6,807	-	-	6,807
Due to other funds	-	22,933	(22,933)	-
Total liabilities	3,259,484	35,978	(22,933)	3,272,529
Net Position				
Invested in capital assets	292,844	-	-	292,844
Restricted	72,696,168	8,414,391	-	81,110,559
Total net position	72,989,012	8,414,391	-	81,403,403
Total liabilities and net position	\$ 76,248,496	\$ 8,450,369	\$(22,933)	\$ 84,675,932

Marianas Public Land Trust
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Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended September 30, 2015

	<u>General Fund</u>	<u>Park Fund</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues:				
Net decrease in the fair value of investments	\$(4,396,013)	\$(586,329)	\$ -	\$(4,982,342)
Investment income, net	2,175,620	274,847	-	2,450,467
Interest income:				
Notes receivable	537,529	42,607	-	580,136
Other	<u>1,563</u>	<u>592</u>	<u>-</u>	<u>2,155</u>
	(1,681,301)	(268,283)	-	(1,949,584)
Loss through foreclosure of assets	(9,000)	-	-	(9,000)
Reversal of provision for doubtful accounts	11,113	-	-	11,113
Other income	<u>3,233</u>	<u>453</u>	<u>-</u>	<u>3,686</u>
Total operating loss	(<u>1,675,955</u>)	(<u>267,830</u>)	<u>-</u>	(<u>1,943,785</u>)
Operating expenses:				
Money manager fees	236,909	29,953	-	266,862
Money management administration	122,425	15,629	-	138,054
Salaries and benefits	118,157	14,996	-	133,153
Consultancy fees	115,135	14,448	-	129,583
Contract services	64,542	8,136	-	72,678
Office supplies	51,036	6,508	-	57,544
Professional fees	39,340	-	-	39,340
Depreciation and amortization	37,902	-	-	37,902
Loan administration fee	33,777	-	-	33,777
Audit	14,761	1,881	-	16,642
Rent and utilities	9,566	1,219	-	10,785
Trustees' expenses	6,139	782	-	6,921
Repairs and maintenance	<u>5,838</u>	<u>-</u>	<u>-</u>	<u>5,838</u>
Total operating expenses	<u>855,527</u>	<u>93,552</u>	<u>-</u>	<u>949,079</u>
Operating loss	(<u>2,531,482</u>)	(<u>361,382</u>)	<u>-</u>	(<u>2,892,864</u>)
Non-operating revenues (expenses):				
Contribution from DPL	5,000,000	-	-	5,000,000
Net distribution to the CNMI General Fund/American Memorial Park	(<u>1,862,401</u>)	(<u>224,944</u>)	<u>-</u>	(<u>2,087,345</u>)
Total non-operating revenues (expenses), net	<u>3,137,599</u>	(<u>224,944</u>)	<u>-</u>	<u>2,912,655</u>
Increase (decrease) in net position	606,117	(586,326)	-	19,791
Net position at beginning of year	<u>72,382,895</u>	<u>9,000,717</u>	<u>-</u>	<u>81,383,612</u>
Net position at end of year	\$ <u>72,989,012</u>	\$ <u>8,414,391</u>	\$ <u>-</u>	\$ <u>81,403,403</u>

Marianas Public Land Trust
(A Component Unit of the Commonwealth of the Northern Mariana Islands)

Combining Statement of Cash Flows

Year Ended September 30, 2015

	<u>General Fund</u>	<u>Park Fund</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from operations	\$ 2,730,618	\$ 388,370	\$ -	\$ 3,118,988
Cash payments to suppliers	(1,258,199)	(178,645)	-	(1,436,844)
Net cash provided by operating activities	<u>1,472,419</u>	<u>209,725</u>	<u>-</u>	<u>1,682,144</u>
Cash flows from noncapital financing activity:				
Cash received from DPL	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Cash flows from capital and related financing activity:				
Acquisition of property and equipment	(44,125)	-	-	(44,125)
Cash flows from investing activities:				
Net increase in notes receivable	(4,619,644)	-	-	(4,619,644)
Net increase in investments	(2,002,252)	(192,286)	-	(2,194,538)
Net cash used in investing activities	<u>(6,621,896)</u>	<u>(192,286)</u>	<u>-</u>	<u>(6,814,182)</u>
Net decrease in cash and cash equivalents	(193,602)	17,439	-	(176,163)
Cash and cash equivalents at beginning of year	<u>1,548,577</u>	<u>152,453</u>	<u>-</u>	<u>1,701,030</u>
Cash and cash equivalents at end of year	<u>\$ 1,354,975</u>	<u>\$ 169,892</u>	<u>\$ -</u>	<u>\$ 1,524,867</u>

Marianas Public Land Trust
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Combining Statement of Cash Flows, continued

Year Ended September 30, 2015

	General Fund	Park Fund	Eliminations	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating loss	\$(2,531,482)	\$(361,382)	\$ -	\$(2,892,864)
Adjustment to reconcile operating loss to net cash provided by operating activities:				
Net decrease in fair value of investments	4,396,013	586,329	-	4,982,342
Depreciation and amortization	37,902	-	-	37,902
Loss through foreclosure of assets	9,000	-	-	9,000
Recovery of notes receivable	(11,113)	-	-	(11,113)
(Increase) decrease in assets:				
Receivable - accrued income	(282,593)	(40,660)	-	(323,253)
Other receivable	4,362	-	-	4,362
Due from other funds	(18,108)	-	18,108	-
Due from brokers	(1,556,344)	(2,189)	-	(1,558,533)
Prepaid expenses	(2,452)	-	-	(2,452)
Increase (decrease) in liabilities:				
Accounts payable	(173,481)	(578)	-	(174,059)
Due to other funds	-	18,108	(18,108)	-
Due to brokers	1,602,616	10,097	-	1,612,713
Accrued expenses	(1,901)	-	-	(1,901)
Net cash provided by operating activities	\$ 1,472,419	\$ 209,725	\$ -	\$ 1,682,144

Supplemental schedule of noncash operating, financing and investing activities:

MPLT applied \$1,862,401 of the required income distribution to the CNMI General Fund for the year ended September 30, 2015 as a repayment of the CNMI's note receivable and related interest.

Increase in accounts payable	\$(1,599,661)	\$ -	\$ -	\$(1,599,661)
Decrease in accrued interest receivable	(262,740)	-	-	(262,740)
Increase in net distribution	1,862,401	-	-	1,862,401
	\$ -	\$ -	\$ -	\$ -

MPLT applied \$224,944 of the required income distribution of the American Memorial Park Fund for the year ended September 30, 2015 as a repayment of CDA's note receivable and related interest

Decrease in notes receivable	\$ -	\$(140,429)	\$ -	\$(140,429)
Decrease in accrued interest income	-	(84,515)	-	(84,515)
Increase in net distribution	-	224,944	-	224,944
	\$ -	\$ -	\$ -	\$ -

Marianas Public Land Trust
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Schedule of Investments - General Fund

September 30, 2015

	Cost	Fair Value
Mutual Funds		
Templeton Global Bond Adv	\$ 7,446,715	\$ 6,366,389
Total Mutual Funds	7,446,715	6,366,389
Equities		
Domestic Common Stock		
AbbVie Inc.	182,048	174,112
Adobe Systems Incorporated	274,225	302,158
AES Corporation	167,717	109,080
Alexandria Real Estate Equities, Inc.	140,955	146,479
Alibaba Group Holdings	165,175	107,325
Allergan PLC	203,399	197,606
Amazon.com, Inc.	165,384	183,769
American Express Company	78,908	64,864
American International Group	112,257	109,378
American Residential Properties, LLC	30,499	28,875
American Tower Corporation	144,712	138,568
Antero Midstream Partners, LP	100,303	66,278
Apple Inc.	215,312	253,138
Archer Daniels Midland Company	164,389	157,510
AvalonBay Communities, Inc.	263,575	316,424
Banco Santander	206,268	105,252
Bank of America Corporation	355,312	345,720
Baxter International, Inc.	170,931	147,825
Biogen Idec Inc.	32,241	30,640
Boeing Company	130,079	127,021
Boston Properties, Inc.	287,381	281,910
Boston Scientific Corporation	106,382	115,608
Brandywine Realty Trust	63,739	50,389
Bristol Myers Squibb Company	72,327	67,192
Buckeye Partners, L.P.	424,780	311,819
Celgene Corporation	119,685	126,018
Cigna Corporation	74,427	64,810
Cisco Systems, Inc.	112,644	105,656
Citigroup Inc.	200,676	194,223
Columbia Pipeline Group	54,580	36,031
Columbia Pipeline Partners LP	82,162	39,968
Comcast Corporation	152,149	158,126
Coty, Inc.	94,446	146,124
CubeSmart TRS, Inc.	105,379	152,104
Cullen Frost Bankers, Inc.	113,745	98,549
CVS Health Corporation	162,551	205,020
DCP Midstream Partners, LP	138,726	58,975
DCT Industrial Trust Inc.	119,973	122,859
DDR Corp.	156,237	135,821
Deere & Company	135,120	111,000
Delta Air Lines, Inc.	144,470	145,603
Diageo PLC	182,476	150,906
Digital Realty Trust, Inc.	162,951	161,994

Marianas Public Land Trust
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Schedule of Investments - General Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Domestic Common Stock, continued		
Douglas Emmett, Inc.	79,964	80,847
Dow Chemical Company	360,881	302,736
Duke Realty Corporation	125,337	130,874
Ecolab Inc.	122,683	120,692
EMC Corporation	164,982	149,792
Enbridge Energy Partners, L.P.	247,430	163,696
Energy Transfer Equity, L.P.	417,583	298,124
EnLink Midstream Partners, LLC	64,924	40,143
Enterprise Products Partners L.P.	676,963	447,353
EQT GP Holdings, L.P.	30,035	22,626
EQT Midstream Partners, L.P.	212,770	187,780
Equinix , Inc.	170,094	167,321
Equity Residential	438,268	502,478
Essex Property Trust, Inc.	184,680	223,420
Facebook, Inc.	249,408	287,680
First Republic Bank	155,288	175,756
General Dynamics Corporation	163,030	193,130
General Electric Company	166,320	158,886
General Growth Properties, Inc.	337,109	353,556
Genesis Energy, L.P.	145,331	102,560
Gilead Sciences, Inc.	121,475	138,939
Google Inc.	291,935	306,505
Halliburton Company	205,465	102,515
Healthcare Realty Trust Incorporated	96,119	93,933
Healthcare Trust of America, Inc.	73,463	70,344
Hershey Company	125,983	119,444
Highwoods Properties, Inc.	85,793	79,825
Home Depot, Inc.	336,289	476,974
Honeywell International Inc.	112,885	105,106
Host Hotels & Resorts, Inc.	286,642	205,767
Illinois Tool Works Inc.	166,003	156,389
ITC Holdings Corp.	168,960	160,032
JPMorgan Chase & Co.	373,727	388,684
Kilroy Realty Corporation	130,623	136,836
Kimco Realty Corporation	170,142	171,987
Kinder Morgan, Inc.	137,940	102,831
Kite Realty Group Trust	69,001	54,525
Lennar Corporation	187,220	211,772
M&T Bank Corporation	149,964	146,340
Macerich Company	76,779	76,743
Magellan Midstream Partners, L.P.	619,565	448,300
MarkWest Energy Partners, L.P.	345,202	212,919
Marsh & McLennan Companies, Inc.	72,580	73,108
Martin Marietta Materials, Inc.	157,431	189,938
MasterCard Incorporated	130,525	150,500
McKesson Corporation	34,508	32,565
Medtronic, Inc.	355,124	308,928

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Schedule of Investments - General Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Domestic Common Stock, continued		
Merck & Co., Inc.	105,409	89,396
Microsoft Corporation	316,341	320,885
Mitsubishi UFJ	138,346	134,589
Mondelez International, Inc.	166,628	184,228
Morgan Stanley	82,202	74,970
MPLX, L.P.	150,432	86,966
National Fuel Gas Company	144,554	112,455
Nike, Inc.	70,105	75,012
Novartis	171,296	159,941
ONEOK, Inc.	104,606	49,846
ONEOK Partners, L.P.	76,592	60,949
Oracle Corporation	167,157	148,092
Oshkosh Corporation	186,577	123,522
Paramount Group, Inc.	66,866	61,488
Paypal Holdings, Inc.	110,466	114,848
Pebblebrook Hotel Trust	65,881	61,329
Penn Real Estate Investment Trust	61,501	53,541
Pfizer, Inc.	125,222	117,473
Phillips 66	217,620	207,468
Phillips 66 Partners, L.P.	169,204	114,503
Pioneer Natural Resources Company	183,051	97,312
Plains All American Pipeline, L.P.	653,768	340,529
Post Properties, Inc.	89,369	96,179
Prologis, Inc.	300,801	284,748
Public Storage	316,126	374,585
QTS Realty Trust, Inc.	74,764	88,429
Ramco-Gershenson Properties Trust	64,523	57,488
Raytheon Company	68,373	70,473
Regency Centers Corporation	124,159	139,216
RLJ Lodging Trust	66,269	51,804
Royal Caribbean Cruises, Ltd.	36,865	40,981
Salesforce.com, Inc.	87,985	87,135
Schlumberger Ltd.	207,592	146,561
Schwab (Charles) Corp	75,586	76,826
Shell Midstream Partners, L.P.	73,144	68,513
Simon Property Group, Inc.	670,944	714,855
SL Green Realty Corp.	226,229	220,646
Spectra Energy Corp.	245,346	208,098
Spirit Realty Capital, Inc.	167,922	137,502
Starbucks Corporation	69,747	72,755
Strategic Hotels & Resorts, Inc.	86,171	96,144
Sun Communities, Inc.	53,345	71,758
Sunoco Logistics Partners, L.P.	384,223	238,279
Sunstone Hotel Investors, Inc.	85,481	75,887
Targa Resources Corp.	148,200	86,554
TE Connectivity Ltd.	215,424	203,626
Tesoro Logistics, L.P.	268,899	183,105

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Schedule of Investments - General Fund, continued

September 30, 2015

	Cost	Fair Value
Domestic Common Stock, continued		
Teva Pharmaceutical	110,425	102,757
Texas Instruments, Inc.	160,017	163,416
Time Warner Inc.	197,596	192,500
TJX Companies, Inc.	68,727	79,276
T-Mobile US, Inc.	106,140	141,326
UDR, Inc.	173,743	205,363
Unilever	184,338	168,840
United Health Group, Inc.	109,248	106,092
United Parcel Service	92,940	107,889
Valero Energy Partners, L.P.	111,687	96,666
Vereit, Inc.	183,117	117,576
Visa, Inc.	102,573	102,749
Vornado Realty Trust	229,910	213,120
Walgreens Boots Alliance, Inc.	206,584	232,680
Walt Disney Company	100,949	120,085
Well Tower, Inc.	381,168	395,214
Western Gas Equity Partners	95,116	61,353
Western Gas Partners L.P.	315,612	203,714
William COS, Inc.	162,359	107,197
Total Domestic Common Stock	26,998,678	24,583,228
International Common Stock		
Akbank T.A.S.	68,161	37,069
Ambev SA	103,052	66,473
America Movil-Spn Adr Cl L	34,073	31,677
Astra International-Unsp Adr	94,819	49,646
Baidu Inc - Spon Adr	73,343	85,332
Banco Do Brasil Sa-Spon Adr	140,584	39,208
Banco Macro Sa-Adr	18,436	44,198
Bank Mandiri Tbk-Unspon Adr	94,514	58,957
Bb Seguridade Parti-Spon Adr	64,695	35,749
Bidvest Group Ltd-Spons Adr	39,825	35,277
Cemig Sa -Spons Adr	57,700	16,805
China Construct-Unspon Adr	139,348	118,157
China Mobile Ltd-Spon Adr	85,154	93,891
China Shenhua-Unspon Adr	48,719	27,202
Cielo Sa-Sponsored Adr	58,031	51,587
Clicks Group Ltd-Sp Adr	54,191	54,996
Cnooc Ltd-Spon Adr	77,098	43,912
Commercial Intl Bank-Adr	24,679	48,292
Gazprom Pao -Spon Adr	84,872	40,405
Imperial Holdings-Spons Adr	69,854	39,845
Kasikornbank Pcl-Unspon Adr	47,242	34,087
Kb Financial Group Inc-Adr	85,184	69,037
Kimberly-Clark De Mexico-Adr	65,994	49,871
Koc Holding As-Unspon Adr	66,881	51,427
Localiza Rent A Car-Spn Adr	94,993	43,807

Marianas Public Land Trust
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Schedule of Investments - General Fund, continued

September 30, 2015

	Cost	Fair Value
International Common Stock, continued		
Lukoil Pjsc-Spon Adr	56,153	31,199
Mobile Telesystems-Sp Adr	101,259	35,371
Nedbank Group Ltd-Spons Adr	53,216	40,827
Netease Inc-Adr	43,352	92,372
Philippine Long Dist -Sp Adr	76,243	51,884
Ppc Ltd-Unspon Adr	60,811	19,223
Ptt Exploration & Pr-Sp Adr	47,773	16,840
Sanlam Ltd-Sponsored Adr	36,893	33,653
Sberbank-Sponsored Adr	146,947	62,268
Semen Indone-Unspon Adr	67,714	31,985
Shinhan Financial Group-Adr	76,323	67,825
Shoprite Holdings-Spn Adr	45,136	32,795
Standard Bank Group-Spon Adr	55,560	42,297
Taiwan Semiconductor-Sp Adr	87,819	117,300
Telekomunik Indonesia-Sp Adr	88,503	71,300
Turkcell Iletisim Hizmet-Adr	66,518	38,973
United Tractors-Unspon Adr	54,097	30,292
Vale Sa-Sp Pref Adr	67,446	11,571
Vodacom Group Ltd-Sp Adr	41,644	30,293
Weichai Power Co-Unsp Adr	57,509	25,290
Woolworths Holdings Ltd-Gdr	51,703	51,763
Wynn Macau Ltd-Unspon Adr	48,133	19,331
Ypf S.A.-Sponsored Adr	45,076	40,314
Total International Common Stock	3,267,270	2,261,874
Total Equities	30,265,948	26,845,102

Marianas Public Land Trust
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Schedule of Investments - General Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Fixed Income Securities			
Asset and Mortgage Backed Securities			
FANNIE MAE @ 1.625%, due 4/27/2018	1,918,222	1,914,156	AA+
FANNIE MAE @ 1.625%, due 4/26/2018	848,264	845,267	AA+
FANNIE MAE @ 1.750%, due 6/8/2018	328,195	327,974	AA+
FANNIE MAE @ 1.750%, due 8/17/2018	353,615	353,763	AA+
FEDERAL FARM CREDIT BANK @ 0.227%, due 5/17/2018	1,524,318	1,524,100	AA+
FEDERAL HOME LOAN BANK @ 1.250%, due 6/23/2017	1,838,313	1,833,231	AA+
FEDERAL HOME LOAN BK IL @ 5.625%, due 6/13/2016	1,590,296	1,454,976	A
FG C91187 @ 5.500%, due 6/1/2028	434,062	429,155	AA+
FG G12213 @ 5.500%, due 3/1/2021	25,265	27,687	AA+
FG G13174 @ 5.000%, due 6/1/2023	41,175	43,243	AA+
FG G14011 @ 5.000%, due 7/1/2025	433,213	428,047	AA+
FG G14670 @ 5.000%, due 6/1/2026	228,547	228,081	AA+
FN 256105 @ 5.500%, due 2/1/2021	209,193	209,709	AA+
FN 603265 @ 5.500%, due 9/1/2016	796	802	AA+
FN 745506 @ 5.662%, due 2/1/2016	233,615	234,635	AA+
FN 868434 @ 5.500%, due 4/1/2021	304,656	298,648	AA+
FN 904529 @ 6.500%, due 1/1/2037	107,998	119,968	AA+
FN 995628 @ 5.500%, due 2/1/2029	284,516	289,675	AA+
FN AL0297 @ 5.000%, due 5/1/2026	305,427	303,790	AA+
Total Asset and Mortgage Backed Securities	<u>11,009,686</u>	<u>10,866,907</u>	
Government Bonds			
US Treasury @ 4.750%, due 8/15/2017	893,403	872,030	AA+
US Treasury @ 4.500%, due 5/15/2017	3,376,200	3,307,889	AA+
US Treasury @ 2.750%, due 8/15/2042	6,123,651	6,483,950	AA+
Total Government Bonds	<u>10,393,254</u>	<u>10,663,869</u>	
Corporate Bonds			
Access Midstream Partners LP @ 4.875%, due 5/15/2023	31,920	29,600	BBB
AES Corporation @ 8.000%, due 6/1/2020	33,829	32,770	BB-
ALCOA Incorporated @ 6.150%, due 8/15/2020	29,116	27,810	BB+
Ally Financial Inc. @ 8.000%, due 3/15/2020	57,281	57,500	B+
Ally Financial Inc. @ 5.125%, due 9/29/2024	34,933	33,575	B+
Antero Resources Finance Corporation @ 5.375%, due 11/1/2021	72,132	63,360	BB-
Apple Inc. @ 3.450%, due 5/6/2024	414,149	422,648	AA+
AutoNation, Inc. @ 5.500%, due 2/1/2020	30,450	32,850	BBB-
Avis Budget Car/Finance @ 5.500%, due 4/1/2023	35,777	34,849	B+
Ball Corporation @ 5.000%, due 3/15/2022	34,325	34,085	BB+
Berry Plastics Corporation @ 5.125%, due 7/15/2023	34,200	34,873	BB-
Boyd Gaming Corporation @ 6.875%, due 5/15/2023	36,050	35,525	CCC+
Calpine Corporation @ 5.750%, due 1/15/2025	33,624	31,790	B-
CBRE Services, Inc. @ 5.000%, due 3/15/2023	54,780	55,283	BBB-
CCO HLDGS, LLC @ 6.500%, due 4/30/2021	67,274	65,325	B+
CCO HLDGS, LLC @ 5.750%, due 1/15/2024	33,163	33,425	B+
Celanese US Holdings LLC @ 5.875%, due 6/15/2021	35,588	34,298	BB

Marianas Public Land Trust
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Schedule of Investments - General Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Corporate Bonds, continued			
Centene Corporation @ 5.750%, due 6/1/2017	34,980	34,403	BB
Chesapeake Energy Corporation @ 6.125%, due 2/15/2021	41,007	29,966	BB+
Community Health Systems, Inc. @ 7.125%, due 7/15/2020	31,659	32,240	B-
Cinemark USA, Inc. @ 5.125%, due 12/15/2022	34,720	34,300	BB-
CIT Group Inc. @ 5.000%, due 8/15/2022	67,135	64,919	B+
Citigroup Inc. @ 4.400%, due 7/30/2022	275,366	276,578	BBB-
Clear Channel Communication @ 9.000%, due 12/15/2019	34,680	30,100	CCC+
Concho Resources Inc. @ 5.500%, due 4/1/2023	34,872	33,337	BB-
Crown Amers, LLC @ 6.250%, due 2/1/2021	33,027	31,087	BB-
Crown Castle International Corporation @ 4.875%, due 4/15/2022	35,441	36,383	BB-
CSC Holdings LLC @ 7.625%, due 7/15/2018	30,880	30,450	BB
D.R. Horton Incorporated @ 4.000%, due 2/15/2020	35,437	35,262	BB+
DaVita HealthCare Partners Inc. @ 5.125%, due 7/15/2024	35,288	34,370	B+
DaVita HealthCare Partners Inc. @ 5.750%, due 8/15/2022	35,434	34,320	B+
DISH DBS Corporation @ 5.875%, due 7/15/2022	79,022	64,605	BB-
Dynegy Inc. @ 5.875%, due 6/1/2023	34,900	32,812	B-
El Paso Corporation @ 7.000%, due 6/15/2017	37,130	36,245	BBB-
Energy Transfer Equity, L.P. @ 7.500%, due 10/15/2020	62,130	57,710	BB
Everest Acquisition, LLC @ 9.375%, due 5/1/2020	33,937	25,800	B
Equinix Incorporated @ 5.750%, due 1/1/2025	35,488	33,745	B+
First Data Corporation @ 12.625%, due 1/15/2021	69,170	65,902	CCC+
Florida Power and Light Company @ 3.250%, due 6/1/2024	249,060	251,522	A
General Electric Company @ 4.650%, due 10/17/2021	394,093	393,677	A+
General Motors Financial Company, Inc. @ 3.250%, due 5/15/2018	35,613	35,406	BB+
General Motors Financial Company, Inc. @ 4.250%, due 5/15/2023	33,375	33,306	BB+
GenOn Escrow Corp. @ 9.875%, due 10/15/2020	31,405	28,830	B-
GLP Capital, L.P. @ 4.875%, due 11/1/2020	35,976	35,438	BB+
Goldman Sachs Group, Inc. @ 5.250%, due 7/27/2021	318,097	317,843	A-
Goodyear Tire & Rubber @ 7.000%, due 5/15/2022	35,160	35,063	BB-
Graphic Packaging International, Inc. @ 4.750%, due 4/15/2021	33,595	33,660	BB
HCA Inc. @ 5.000%, due 3/15/2024	68,115	68,170	BB+
HCA Inc. @ 3.750%, due 3/15/2019	34,468	33,915	BB+
Hertz Corporation @ 6.750%, due 4/15/2019	34,835	32,560	B
Hertz Corporation @ 6.250%, due 10/15/2022	36,045	35,131	B
IBM Corporation @ 3.625%, due 2/12/2024	293,980	293,681	AA-
Icahn Enterprise LP @ 6.000%, due 8/1/2020	34,238	32,880	BB-
Intelsat Jackson Holdings S.A. @ 7.250%, due 4/1/2019	72,642	64,253	B-
International Lease Finance Corporation @ 8.250%, due 12/15/2020	33,250	32,760	BB
Iron Mountain Incorporated @ 5.750%, due 8/15/2024	35,860	33,775	B-
JPMorgan Chase & Co. @ 4.500%, due 1/24/2022	249,725	253,558	A-
Kinetic Concepts Inc. @ 10.500%, due 11/1/2018	32,700	31,403	B-
L Brands, Inc. @ 6.625%, due 4/1/2021	35,140	34,488	BB+
Lamar Media Corp. @ 5.000%, due 5/1/2023	34,123	33,490	BB-
Lear Corporation @ 5.250%, due 1/15/2025	34,775	33,320	BB
Lennar Corporation @ 4.750%, due 5/30/2025	35,366	34,380	BB
Level 3 Communications @ 5.750%, due 12/1/2022	34,977	33,362	B

Marianas Public Land Trust
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Schedule of Investments - General Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Corporate Bonds, continued			
Level 3 Financing, Inc. @ 7.000%, due 6/1/2020	35,937	34,155	B
Linn Energy LLC @ 7.750%, due 2/1/2021	8,180	1,840	B-
Markwest Energy Partners LP @ 5.500%, due 2/15/2023	67,215	62,969	BB-
Masco Corporation @ 5.950%, due 3/15/2022	30,186	32,737	BB
MetLife, Inc. @ 4.368%, due 9/15/2023	284,171	295,452	A-
MGM Resorts International @ 6.750%, due 10/1/2020	37,442	35,105	B-
Micron Technology, Inc. @ 5.875%, due 2/15/2022	35,912	33,532	BB-
Morgan Stanley @ 5.750%, due 1/25/2021	291,488	285,120	A-
Nationstar MTG, LLC @ 6.500%, due 7/1/2021	33,115	29,050	B
NRG Energy, Inc. @ 6.625%, due 3/15/2023	65,608	57,960	B+
Post Holdings, Inc. @ 7.375%, due 2/15/2022	99,830	94,395	B-
Range Resources Corporation @ 5.000%, due 3/15/2023	47,853	43,335	BB
Reynolds Group Issuer Inc. @ 5.750%, due 10/15/2020	32,670	33,330	B+
Rite Aid Corporation @ 6.750%, due 6/15/2021	36,040	34,850	CCC+
Royal Caribbean Cruises @ 5.250%, due 11/15/2022	36,355	35,678	BB+
Sally HLDGS LLC @ 5.750%, due 6/1/2022	34,175	33,360	BB
Sinclair Television Group @ 5.375%, due 4/1/2021	22,418	21,505	B+
SLM Corporation @ 5.500%, due 1/25/2023	32,988	27,759	BB-
Sprint Capital Corporation @ 6.875%, due 11/15/2028	33,278	24,395	CCC+
Sprint Communications, Inc. @ 6.000%, due 11/15/2022	34,765	25,585	CCC+
Sprint Communications, Inc. @ 11.500%, due 11/15/2021	16,510	14,850	CCC+
Steel Dynamics, Inc. @ 5.250%, due 4/15/2023	32,266	30,195	BB
Targa Res Partners LP @ 5.250%, due 5/1/2023	36,488	31,950	BB
Tenet Healthcare Corporation @ 8.125%, due 4/1/2022	35,226	34,013	CCC+
Tenet Healthcare Corporation @ 4.750%, due 6/1/2020	33,731	34,340	BB-
T-Mobile USA, Inc. @ 6.125%, due 1/15/2022	32,570	29,915	BB-
T-Mobile USA, Inc. @ 6.542%, due 4/28/2020	33,400	32,520	BB-
Toys R Us Property Company @ 8.500%, due 12/1/2017	35,738	33,425	B
TransDigm Inc. @ 5.500%, due 10/15/2020	33,915	32,406	CCC+
Triumph Group, Inc. @ 4.875%, due 4/1/2021	34,967	32,725	B+
United Rentals (North America), Inc. @ 5.750%, due 11/15/2024	35,395	32,555	B+
Wells Fargo & Company @ 3.450%, due 2/13/2023	349,224	353,339	A-
Whiting Petroleum Corporation @ 5.000%, due 3/15/2019	36,015	31,321	BB
Wyett LLC @ 6.450%, due 2/1/2024	453,661	458,485	A+
Total Corporate Bonds	<u>6,945,639</u>	<u>6,784,122</u>	
Total Mutual Funds	<u>7,446,715</u>	<u>6,366,389</u>	
Total Equities	<u>30,265,948</u>	<u>26,845,102</u>	
Total Fixed Income Securities	<u>28,348,579</u>	<u>28,314,898</u>	
Total Mutual Funds, Equities and Fixed Income Securities	<u>\$ 66,061,242</u>	<u>\$ 61,526,389</u>	

Marianas Public Land Trust
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Schedule of Investments - Park Fund

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds		
Templeton Global Bond Adv	\$ 921,450	\$ 786,537
Total Mutual Funds	<u>921,450</u>	<u>786,537</u>
Equities		
Domestic Common Stock		
AbbVie Inc.	24,463	23,396
Adobe Systems Incorporated	36,922	40,699
AES Corporation	22,564	14,675
Alexandria Real Estate Equities, Inc.	19,341	19,982
Alibaba Group Holdings	22,301	14,448
Allergan PLC	27,909	27,181
Amazon.com, Inc.	22,056	24,571
American Express Company	10,379	8,525
American International Group	15,166	14,773
American Residential Properties, LLC	4,085	3,817
American Tower Corporation	19,286	18,476
Antero Midstream Partners, LP	13,487	8,912
Apple Inc.	29,072	34,193
Archer Daniels Midland Company	22,063	21,139
AvalonBay Communities, Inc.	34,975	41,957
Banco Santander	27,824	14,198
Bank of America Corporation	47,883	46,584
Baxter International, Inc.	23,159	20,038
Biogen Idec Inc.	3,680	3,502
Boeing Company	17,474	17,023
Boston Properties, Inc.	36,790	37,178
Boston Scientific Corporation	14,269	15,507
Brandywine Realty Trust	8,796	6,911
Bristol Myers Squibb Company	9,557	8,880
Buckeye Partners, L.P.	56,930	41,963
Celgene Corporation	15,912	16,766
Cigna Corporation	10,083	8,776
Cisco Systems, Inc.	15,115	14,175
Citigroup Inc.	27,164	26,293
Columbia Pipeline Group	7,227	4,774
Columbia Pipeline Partners LP	11,063	5,380
Comcast Corporation	20,519	21,330
Coty, Inc.	12,593	19,483
CubeSmart TRS, Inc.	13,235	19,292
Cullen Frost Bankers, Inc.	15,411	13,352
CVS Health Corporation	21,821	27,497
DCP Midstream Partners, LP	19,282	8,197
DCT Industrial Trust Inc.	15,330	15,854
DDR Corp.	21,607	19,056
Deere & Company	18,016	14,800
Delta Air Lines, Inc.	19,371	19,518
Diageo PLC	24,765	20,480
Digital Realty Trust, Inc.	22,192	22,927

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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Domestic Common Stock, continued		
Douglas Emmett, Inc.	10,958	11,143
Dow Chemical Company	48,528	40,704
Duke Realty Corporation	15,495	16,345
Ecolab Inc.	16,506	16,239
EMC Corporation	22,352	20,294
Enbridge Energy Partners, L.P.	33,044	21,852
Energy Transfer Equity, L.P.	55,499	39,622
EnLink Midstream Partners, LLC	8,551	4,972
Enterprise Products Partners L.P.	91,253	60,183
EQT GP Holdings, L.P.	4,049	3,047
EQT Midstream Partners, L.P.	28,635	25,272
Equinix , Inc.	21,675	21,599
Equity Residential	59,509	68,509
Essex Property Trust, Inc.	24,182	29,268
Facebook, Inc.	33,430	38,657
First Republic Bank	21,075	23,853
General Dynamics Corporation	22,125	26,211
General Electric Company	22,440	21,437
General Growth Properties, Inc.	45,495	47,837
Genesis Energy, L.P.	19,558	13,802
Gilead Sciences, Inc.	16,754	19,147
Google Inc.	39,637	41,624
Halliburton Company	27,631	13,787
Healthcare Realty Trust Incorporated	11,913	11,729
Healthcare Trust of America, Inc.	9,728	9,289
Hershey Company	16,475	15,620
Highwoods Properties, Inc.	11,340	10,579
Home Depot, Inc.	45,190	64,097
Honeywell International Inc.	15,227	14,204
Host Hotels & Resorts, Inc.	37,452	27,668
Illinois Tool Works Inc.	21,842	20,578
ITC Holdings Corp.	22,880	21,671
JPMorgan Chase & Co.	50,424	52,434
Kilroy Realty Corporation	18,132	19,027
Kimco Realty Corporation	21,968	22,378
Kinder Morgan, Inc.	18,579	13,840
Kite Realty Group Trust	8,741	7,143
Lennar Corporation	25,104	28,397
M&T Bank Corporation	19,995	19,512
Macerich Company	10,221	9,756
Magellan Midstream Partners, L.P.	82,615	60,350
MarkWest Energy Partners, L.P.	46,456	28,621
Marsh & McLennan Companies, Inc.	9,850	9,922
Martin Marietta Materials, Inc.	21,411	25,832
MasterCard Incorporated	17,633	20,277
McKesson Corporation	4,894	4,626

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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Domestic Common Stock, continued		
Medtronic, Inc.	47,324	41,168
Merck & Co., Inc.	14,267	12,101
Microsoft Corporation	42,971	43,596
Mitsubishi UFJ	18,655	18,148
Mondelez International, Inc.	22,343	24,703
Morgan Stanley	11,050	10,080
MPLX, L.P.	20,157	11,654
National Fuel Gas Company	19,467	15,144
Nike, Inc.	9,194	9,838
Novartis	22,643	21,142
ONEOK, Inc.	14,056	6,698
ONEOK Partners, L.P.	10,296	8,193
Oracle Corporation	22,424	19,866
Oshkosh Corporation	25,192	16,712
Paramount Group, Inc.	9,006	8,282
Paypal Holdings, Inc.	14,928	15,520
Pebblebrook Hotel Trust	8,590	8,118
Penn Real Estate Investment Trust	7,978	7,020
Pfizer, Inc.	16,906	15,862
Phillips 66	29,016	27,662
Phillips 66 Partners, L.P.	23,006	15,569
Pioneer Natural Resources Company	22,881	12,164
Plains All American Pipeline, L.P.	86,108	44,567
Post Properties, Inc.	11,963	12,999
Prologis, Inc.	44,039	41,934
Public Storage	41,363	49,098
QTS Realty Trust, Inc.	8,802	10,573
Ramco-Gershenson Properties Trust	9,314	8,646
Raytheon Company	9,010	9,287
Regency Centers Corporation	16,661	18,769
RLJ Lodging Trust	9,463	7,379
Royal Caribbean Cruises, Ltd.	4,808	5,345
Salesforce.com, Inc.	11,917	11,803
Schlumberger Ltd.	27,906	19,656
Schwab (Charles) Corp	10,117	10,282
Shell Midstream Partners, L.P.	9,836	9,212
Simon Property Group, Inc.	93,216	99,209
SL Green Realty Corp.	31,114	30,393
Spectra Energy Corp.	33,181	27,993
Spirit Realty Capital, Inc.	22,874	18,993
Starbucks Corporation	9,270	9,663
Strategic Hotels & Resorts, Inc.	11,418	13,004
Sun Communities, Inc.	7,913	10,774
Sunoco Logistics Partners, L.P.	51,669	32,042
Sunstone Hotel Investors, Inc.	12,815	11,404
Targa Resources Corp.	19,750	11,540

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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>
Domestic Common Stock, continued		
TE Connectivity Ltd.	29,146	27,549
Tesoro Logistics, L.P.	37,340	25,650
Teva Pharmaceutical	14,893	13,833
Texas Instruments, Inc.	21,336	21,789
Time Warner Inc.	26,817	26,125
TJX Companies, Inc.	9,288	10,713
T-Mobile US, Inc.	14,207	18,910
UDR, Inc.	23,526	28,032
Unilever	25,017	22,914
United Health Group, Inc.	12,494	14,501
United Parcel Service	14,728	14,310
Valero Energy Partners, L.P.	15,048	13,027
Vereit, Inc.	24,481	16,274
Visa, Inc.	13,907	13,932
Vornado Realty Trust	30,928	29,025
Walgreens Boots Alliance, Inc.	28,036	31,578
Walt Disney Company	13,747	16,352
Well Tower, Inc.	50,405	52,280
Western Gas Equity Partners	12,773	8,241
Western Gas Partners L.P.	42,603	27,483
William COS, Inc.	22,287	14,703
Total Domestic Common Stock	<u>3,627,472</u>	<u>3,310,458</u>
International Common Stock		
AAC Technologies	4,701	4,611
Akbank T.A.S.	9,033	4,782
Ambev SA	13,266	8,943
America Movil-Spn Adr Cl L	4,574	4,204
Astra International-Unsp Adr	12,627	6,690
Baidu Inc - Spon Adr	9,927	11,542
Banco Do Brasil Sa-Spon Adr	19,616	5,278
Banco Macro Sa-Adr	2,727	5,798
Bank Mandiri Tbk-Unspon Adr	12,623	7,942
Bb Seguridade Parti-Spon Adr	8,804	4,817
Bidvest Group Ltd-Spons Adr	5,209	4,738
Cemig Sa -Spons Adr	6,952	2,261
China Construct-Unspon Adr	18,663	15,676
China Mobile Ltd-Spon Adr	11,388	12,674
China Shenhua-Unspon Adr	6,522	3,660
Cielo Sa-Sponsored Adr	7,270	7,030
Clicks Group Ltd-Sp Adr	7,030	7,133
Cnoco Ltd-Spon Adr	10,628	6,082
Commercial Intl Bank-Adr	3,820	7,035
Gazprom Pao -Spon Adr	11,982	5,444
Imperial Holdings-Spons Adr	9,387	5,388
Kasikornbank Pcl-Unspon Adr	6,084	4,406

Marianas Public Land Trust
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Schedule of Investments - Park Fund, continued

September 30, 2015

	Cost	Fair Value
International Common Stock, continued		
Kb Financial Group Inc-Adr	11,218	9,052
Kimberly-Clark De Mexico-Adr	7,934	6,468
Koc Holding As-Unspon Adr	8,610	6,740
Localiza Rent A Car-Spn Adr	13,751	5,899
Lukoil Pjsc-Spon Adr	7,408	4,189
Mobile Telesystems-Sp Adr	13,622	4,765
Nedbank Group Ltd-Spons Adr	6,702	5,225
Netease Inc-Adr	5,605	12,252
Philippine Long Dist -Sp Adr	9,712	6,739
Ppc Ltd-Unspon Adr	7,847	2,588
Ptt Exploration & Pr-Sp Adr	5,446	1,912
Sanlam Ltd-Sponsored Adr	4,597	4,477
Sberbank-Sponsored Adr	18,138	7,719
Semen Indone-Unspon Adr	9,516	4,300
Shinhan Financial Group-Adr	9,891	8,770
Shoprite Holdings-Spn Adr	5,362	4,216
Standard Bank Group-Spon Adr	7,342	5,488
Taiwan Semiconductor-Sp Adr	10,976	15,314
Telekomunik Indonesia-Sp Adr	11,633	9,590
Tiger Brands Ltd -Spons Adr	4,833	3,538
Turkcell Iletisim Hizmet-Adr	8,518	5,060
United Tractors-Unspon Adr	6,716	3,888
Vale Sa-Sp Pref Adr	9,655	1,558
Vodacom Group Ltd-Sp Adr	5,584	4,085
Weichai Power Co-Unsp Adr	8,182	3,405
Woolworths Holdings Ltd-Gdr	7,418	6,625
Wynn Macau Ltd-Unspon Adr	6,624	2,641
Ypf S.A.-Sponsored Adr	5,712	5,193
Total International Common Stock	441,385	307,830
Total Equities	4,068,857	3,618,288

Marianas Public Land Trust
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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Fixed Income Securities			
Asset and Mortgage Backed Securities			
FANNIE MAE @ 1.625%, due 4/27/2018	201,918	201,490	AA+
FANNIE MAE @ 1.625%, due 4/26/2018	227,204	226,411	AA+
FANNIE MAE @ 1.750%, due 6/8/2018	50,492	50,457	AA+
FANNIE MAE @ 1.000%, due 9/20/2017	69,853	70,293	AA+
FANNIE MAE @ 2.000%, due 9/26/2017	71,820	71,048	AA+
FANNIE MAE @ 1.750%, due 8/24/2018	60,638	60,659	AA+
FANNIE MAE @ 1.750%, due 9/14/2018	45,488	45,498	AA+
FEDERAL FARM CREDIT BANK @ 0.227%, due 5/17/2018	199,882	199,882	AA+
FEDERAL HOME LOAN BK IL @ 5.625%, due 6/13/2016	209,203	186,403	A
FG C91187 @ 5.500%, due 6/1/2028	78,352	77,467	AA+
FG G13174 @ 5.000%, due 6/1/2023	4,655	4,888	AA+
FG G14011 @ 5.000%, due 7/1/2025	45,743	45,198	AA+
FG G14670 @ 5.000%, due 6/1/2026	37,434	37,358	AA+
FN 256896 @ 5.500%, due 9/1/2027	16,380	16,819	AA+
FN 257325 @ 5.500%, due 8/1/2028	28,043	28,401	AA+
FN 603265 @ 5.500%, due 9/1/2016	119	120	AA+
FN 745506 @ 5.663%, due 2/1/2016	24,591	24,698	AA+
FN 868434 @ 5.500%, due 4/1/2021	31,872	31,243	AA+
FN 995628 @ 5.500%, due 2/1/2029	19,180	19,524	AA+
LBUBS 2006-C1 A4 @ 5.156%, due 2/15/2031	16,309	15,015	AAA
Total Asset and Mortgage Backed Securities	<u>1,439,176</u>	<u>1,412,872</u>	
Government Bonds			
US Treasury @ 4.750%, due 8/15/2017	283,998	274,528	AA+
US Treasury @ 2.750%, due 8/15/2042	721,403	760,523	AA+
Total Government Bonds	<u>1,005,401</u>	<u>1,035,051</u>	
Corporate Bonds			
Access Midstream Partners LP @ 4.875%, due 5/15/2023	4,987	4,625	BB+
AES Corporation @ 8.000%, due 6/1/2020	4,664	4,520	BB-
ALCOA Incorporated @ 6.150%, due 8/15/2020	4,277	4,120	BB+
Ally Financial Inc. @ 8.000%, due 3/15/2020	9,180	9,200	B+
Ally Financial Inc. @ 5.125%, due 9/29/2024	4,115	3,950	B+
Antero Resources Finance Corporation @ 5.375%, due 11/1/2021	8,985	7,920	BB-
Apple Inc. @ 3.450%, due 5/6/2024	35,354	36,079	AA+
AutoNation, Inc. @ 5.500%, due 2/1/2020	2,207	2,190	BBB-
Avis Budget Car/Finance @ 5.500%, due 4/1/2023	3,985	3,872	B+
Ball Corporation @ 5.000%, due 3/15/2022	5,047	5,012	BB+
Berry Plastics Corporation @ 5.125%, due 7/15/2023	4,622	4,712	B-
Boyd Gaming Corporation @ 6.875%, due 5/15/2023	4,120	4,060	CCC+
Calpine Corporation @ 5.750%, due 1/15/2025	3,962	3,740	B-
CBRE Services, Inc. @ 5.000%, due 3/15/2023	8,889	9,046	BBB-
CCO HLDGS, LLC @ 6.500%, due 4/30/2021	8,280	8,040	B+
CCO HLDGS, LLC @ 5.750%, due 1/15/2024	4,737	4,775	B+
Celanese US Holdings LLC @ 5.875%, due 6/15/2021	4,185	4,035	BB

Marianas Public Land Trust
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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Corporate Bonds, continued			
Centene Corporation @ 5.750%, due 6/1/2017	4,240	4,170	BB
Chesapeake Energy Corporation @ 6.125%, due 2/15/2021	4,974	3,484	BB+
Community Health Systems, Inc. @ 7.125%, due 7/15/2020	4,085	4,160	B-
Cinemark USA, Inc. @ 5.125%, due 12/15/2022	3,940	3,920	BB-
CIT Group Inc. @ 5.000%, due 8/15/2022	9,292	8,988	B+
Citigroup Inc. @ 4.400%, due 7/30/2022	30,040	30,172	BBB-
Clear Channel Communication @ 9.000%, due 12/15/2019	3,966	3,440	CCC+
Concho Resources Inc. @ 5.500%, due 4/1/2023	4,975	4,762	BB-
Crown Amers, LLC @ 6.250%, due 2/1/2021	5,491	5,181	BB-
Crown Castle International Corporation @ 4.875%, due 4/15/2022	4,042	4,158	BB-
CSC Holdings LLC @ 7.625%, due 7/15/2018	4,505	4,200	BB
D.R. Horton Incorporated @ 4.000%, due 2/15/2020	4,050	4,030	BB+
DaVita HealthCare Partners Inc. @ 5.125%, due 7/15/2024	5,040	4,910	B+
DaVita HealthCare Partners Inc. @ 5.750%, due 8/15/2022	4,295	4,160	B+
DISH DBS Corporation @ 5.875%, due 7/15/2022	10,810	8,850	BB-
Dynegy Inc. @ 5.875%, due 6/1/2023	4,988	4,687	B-
El Paso Corporation @ 7.000%, due 6/15/2017	5,245	5,330	BBB-
Energy Transfer Equity, L.P. @ 7.500%, due 10/15/2020	8,655	7,960	BB
Everest Acquisition, LLC @ 9.375%, due 5/1/2020	4,525	3,440	B
Equinix Incorporated @ 5.750%, due 1/1/2025	4,175	3,970	B+
First Data Corporation @ 12.625%, due 1/15/2021	8,403	7,953	CCC+
Florida Power and Light Company @ 3.250%, due 6/1/2024	25,414	25,665	A
General Electric Company @ 4.650%, due 10/17/2021	45,039	44,991	A+
General Motors Financial Company, Inc. @ 3.250%, due 5/15/2018	5,087	5,058	BB+
General Motors Financial Company, Inc. @ 4.250%, due 5/15/2023	4,913	4,898	BB+
GenOn Escrow Corp. @ 9.875%, due 10/15/2020	4,060	3,720	B-
GLP Capital, L.P. @ 4.875%, due 11/1/2020	4,115	4,050	BB+
Goldman Sachs Group, Inc. @ 5.250%, due 7/27/2021	33,892	33,457	A-
Goodyear Tire & Rubber @ 7.000%, due 5/15/2022	4,263	4,250	BB-
Graphic Packaging International, Inc. @ 4.750%, due 4/15/2021	4,938	4,950	BB
HCA Inc. @ 5.000%, due 3/15/2024	9,028	9,023	BB+
HCA Inc. @ 3.750%, due 3/15/2019	5,069	4,988	BB+
Hertz Corporation @ 6.750%, due 4/15/2019	4,380	4,070	B
Hertz Corporation @ 6.250%, due 10/15/2022	4,125	4,015	B
IBM Corporation @ 3.625%, due 2/12/2024	30,945	30,914	AA-
Icahn Enterprise LP @ 6.000%, due 8/1/2020	4,275	4,110	BB-
Intelsat Jackson Holdings S.A. @ 7.250%, due 4/1/2019	8,480	7,449	B-
International Lease Finance Corporation @ 8.250%, due 12/15/2020	8,175	8,190	BB
Iron Mountain Incorporated @ 5.750%, due 8/15/2024	5,124	4,825	B-
JPMorgan Chase & Co. @ 4.500%, due 1/24/2022	37,193	37,764	A-
Kinetic Concepts Inc. @ 10.500%, due 11/1/2018	4,360	4,187	B-
L Brands, Inc. @ 6.625%, due 4/1/2021	8,953	8,900	BB+
Lamar Media Corp. @ 5.000%, due 5/1/2023	4,020	3,940	BB-
Lear Corporation @ 5.250%, due 1/15/2025	4,090	3,920	BB
Lennar Corporation @ 4.750%, due 5/30/2025	4,910	4,775	BB
Level 3 Communications @ 5.750%, due 12/1/2022	5,130	4,906	B

Marianas Public Land Trust
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Schedule of Investments - Park Fund, continued

September 30, 2015

	<u>Cost</u>	<u>Fair Value</u>	<u>Ratings</u>
Corporate Bonds, continued			
Level 3 Financing, Inc. @ 7.000%, due 6/1/2020	4,355	4,140	B
Linn Energy LLC @ 7.750%, due 2/1/2021	1,810	460	B-
Markwest Energy Partners LP @ 5.500%, due 2/15/2023	9,338	8,718	BB-
Masco Corporation @ 5.950%, due 3/15/2022	4,991	5,456	BB
MetLife, Inc. @ 4.368%, due 9/15/2023	46,363	48,347	A-
MGM Resorts International @ 6.750%, due 10/1/2020	4,405	4,130	B-
Micron Technology, Inc. @ 5.875%, due 2/15/2022	4,225	3,945	BB-
Morgan Stanley @ 5.750%, due 1/25/2021	29,133	28,512	A-
Nationstar MTG, LLC @ 6.500%, due 7/1/2021	4,728	4,150	B
NRG Energy, Inc. @ 6.625%, due 3/15/2023	8,343	7,360	B+
Post Holdings, Inc. @ 7.375%, due 2/15/2022	13,925	13,195	B-
Range Resources Corporation @ 5.000%, due 3/15/2023	5,855	5,306	BB
Reynolds Group Issuer Inc. @ 5.750%, due 10/15/2020	3,960	4,040	B+
Rite Aid Corporation @ 6.750%, due 6/15/2021	4,240	4,100	CCC+
Royal Caribbean Cruises @ 5.250%, due 11/15/2022	4,290	4,197	BB+
Sally HLDGS LLC @ 5.750%, due 6/1/2022	4,270	4,170	BB
Sinclair Television Group @ 5.375%, due 4/1/2021	4,043	3,910	B+
SLM Corporation @ 5.500%, due 1/25/2023	4,713	3,966	BB-
Sprint Capital Corporation @ 6.875%, due 11/15/2028	4,841	3,587	CCC+
Sprint Communications, Inc. @ 6.000%, due 11/15/2022	4,090	3,010	CCC+
Sprint Communications, Inc. @ 11.500%, due 11/15/2021	2,215	1,980	CCC+
Steel Dynamics, Inc. @ 5.250%, due 4/15/2023	4,875	4,575	BB
Targa Res Partners LP @ 5.250%, due 5/1/2023	5,015	4,437	BB
Tenet Healthcare Corporation @ 8.125%, due 4/1/2022	5,503	5,314	CCC+
Tenet Healthcare Corporation @ 4.750%, due 6/1/2020	3,975	4,040	BB-
T-Mobile USA, Inc. @ 6.125%, due 1/15/2022	4,218	3,860	BB-
T-Mobile USA, Inc. @ 6.542%, due 4/28/2020	4,175	4,065	BB-
Toys R Us Property Company @ 8.500%, due 12/1/2017	4,084	3,820	B
TransDigm Inc. @ 5.500%, due 10/15/2020	3,990	3,812	CCC+
Triumph Group, Inc. @ 4.875%, due 4/1/2021	4,970	4,675	B+
United Rentals (North America), Inc. @ 5.750%, due 11/15/2024	4,170	3,830	B+
Wells Fargo & Company @ 3.450%, due 2/13/2023	45,050	44,789	A-
Whiting Petroleum Corporation @ 5.000%, due 3/15/2019	4,000	3,481	BB
Wyett LLC @ 6.450%, due 2/1/2024	42,914	43,371	A+
Total Corporate Bonds	<u>852,380</u>	<u>829,584</u>	
Total Mutual Funds	<u>921,450</u>	<u>786,537</u>	
Total Equities	<u>4,068,857</u>	<u>3,618,288</u>	
Total Fixed Income Securities	<u>3,296,957</u>	<u>3,277,507</u>	
Total Mutual Funds, Equities and Fixed Income Securities	<u>\$ 8,287,264</u>	<u>\$ 7,682,332</u>	

Marianas Public Land Trust
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Schedule of Administrative Expenses Compared to Budget

Year Ended September 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Money manager fees	\$ 262,500	\$ 266,862	\$(4,362)
Money management administration	137,600	138,054	(454)
Consultancy fees	129,000	129,583	(583)
Salaries and benefits	126,160	133,153	(6,993)
Contract services	72,000	72,678	(678)
Office expense	57,931	57,544	387
Depreciation	41,600	37,902	3,698
Professional fees	40,000	39,340	660
Loan administration fee	33,000	33,777	(777)
Audit	16,640	16,642	(2)
Rent and utilities	12,250	10,785	1,465
Trustees' expenses	8,099	6,921	1,178
Repairs and maintenance	<u>5,000</u>	<u>5,838</u>	(838)
 Total	 <u>\$ 941,780</u>	 <u>\$ 949,079</u>	 <u>\$(7,299)</u>

See accompanying Report of Independent Auditors.