

DEPARTMENT OF PUBLIC LANDS
(A GOVERNMENTAL FUND OF THE COMMONWEALTH OF
THE NORTHERN MARIANA ISLANDS)

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT

Ms. Marianne Concepcion-Teregeyo
Secretary
Department of Public Lands

Report on the Financial Statements

We have audited the accompanying financial statements of the Department of Public Lands (DPL), a governmental fund of the Commonwealth of the Northern Mariana Islands (CNMI), which comprise the balance sheets as of September 30, 2018 and 2017, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the financial statements, which collectively comprise DPL's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department of Public Lands as of September 30, 2018 and 2017, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matters

As discussed in note 1, the financial statements present only the financial position and changes in fund balances of DPL. They are not intended to present the financial position and changes in fund balances of the CNMI in conformity with accounting principles generally accepted in the United States of America.

The CNMI Constitution requires that all revenues received by DPL in excess of the amount necessary to meet reasonable expenses of administration and management, land surveying, homestead development, and any other expenses reasonably necessary for the accomplishment of its functions, must be transferred to the Marianas Public Land Trust (MPLT). Additionally, as discussed in note 9, the CNMI Office of the Attorney General issued an opinion on the constitutionality of DPL's expenditure of revenues from public lands to cover its operating expenses and has recommended that a certified question be presented to the CNMI Supreme Court. DPL has reserved fund balance amounts for its ensuing years budget. The effects of potential noncompliance with the CNMI Constitution, if any, could not be determined.

Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2019 on our consideration of DPL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DPL's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DPL's internal control over financial reporting and compliance.

Deloitte & Touche LLC

June 10, 2019

DEPARTMENT OF PUBLIC LANDS
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Balance Sheets
September 30, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 14,208,328	\$ 13,319,712
Restricted cash and cash equivalents	11,207,208	10,875,873
Receivables, net	<u>1,455,131</u>	<u>1,740,325</u>
Total assets	<u>\$ 26,870,667</u>	<u>\$ 25,935,910</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ 278,408	\$ 197,018
Accrued liabilities	124,877	110,132
Due to CNMI	988,635	1,143,018
Accrued annual leave payable	140,264	131,477
Security deposits	11,192,627	10,825,564
Unearned revenues	683,027	1,052,527
Due to MPLT	<u>6,327,685</u>	<u>1,501,174</u>
Total liabilities	<u>19,735,523</u>	<u>14,960,910</u>
Commitment and contingencies		
 <u>FUND BALANCES</u>		
Fund balances:		
Reserved	<u>7,135,144</u>	<u>10,975,000</u>
Total fund balances	<u>7,135,144</u>	<u>10,975,000</u>
Total liabilities and fund balances	<u>\$ 26,870,667</u>	<u>\$ 25,935,910</u>

See accompanying notes to financial statements.

DEPARTMENT OF PUBLIC LANDS
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Statements of Revenues, Expenditures and Changes in Fund Balances
Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Land leases	\$ 6,684,444	\$ 6,843,510
Temporary permits	573,386	1,023,490
Submerged land	55,000	60,000
Filing fees and others	35,404	26,471
Commercial permits	11,479	8,181
Other	<u>181,144</u>	<u>5,389</u>
Total revenues	<u>7,540,857</u>	<u>7,967,041</u>
Expenditures:		
Administrative:		
MPLT	7,194,024	634,835
Salaries and wages	2,087,692	1,895,941
Professional fees	676,104	599,869
Homestead development	602,871	-
Personnel benefits	431,635	367,771
Travel and transportation	191,582	108,958
Rental	105,502	133,120
Supplies	62,929	46,248
Utilities	46,018	44,198
Repairs and maintenance	34,948	16,553
Insurance	26,597	24,459
Fuel and lubricants	19,463	19,359
Advertising	20,103	10,065
Communications	17,574	17,962
Miscellaneous	<u>109,914</u>	<u>132,959</u>
Total expenditures	<u>11,626,956</u>	<u>4,052,297</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,086,099)</u>	<u>3,914,744</u>
Other financing sources:		
Interest income	<u>246,243</u>	<u>40,396</u>
Total other financing sources	<u>246,243</u>	<u>40,396</u>
Net change in fund balances	(3,839,856)	3,955,140
Fund balances at beginning of year	<u>10,975,000</u>	<u>7,019,860</u>
Fund balances at end of year	<u>\$ 7,135,144</u>	<u>\$ 10,975,000</u>

See accompanying notes to financial statements.

DEPARTMENT OF PUBLIC LANDS
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Notes to Financial Statements
September 30, 2018 and 2017

(1) Organization and Purpose

The Department of Public Lands (DPL), a governmental fund of the Commonwealth of the Northern Mariana Islands (CNMI), is the successor to the Marianas Public Lands Authority (MPLA) and is responsible for the management, use and disposition of public lands in the Northern Marianas through lease and permit arrangements and also administration of the homestead program for qualifying Northern Mariana citizens.

On February 22, 2006, Public Law 15-02 was enacted to create DPL within the Executive Branch of the CNMI Government and to transfer the obligations and responsibilities of MPLA to DPL. DPL is responsible for administration, use, leasing, development and disposition of all lands defined as public lands by Article XI of the CNMI Constitution or any other provision of law, subject to the provisions of Public Law 15-02 and except as limited by transfers of freehold interest to individuals, entities, or other government agencies. DPL's authority does not extend to the issuance of land use permits and licenses, except as specifically provided for in Public Law 15-02 and does not limit in any respect the authority of other Commonwealth agencies to issue permits and licenses pursuant to their respective enabling legislation. DPL is headed by a Secretary appointed by the Governor with the advice and consent of the Senate.

The CNMI Constitution requires that all revenues received by DPL in excess of the amount necessary to meet reasonable expenses of administration and management, land surveying, homestead development, and any other expenses reasonably necessary for the accomplishment of its functions, must be transferred to the Marianas Public Land Trust (MPLT), a component unit of the CNMI which manages all monies received by it from DPL. DPL has determined that amounts appropriated for homestead development and other matters can be considered reserved. Any change from this determination will be treated prospectively. DPL has determined that amounts due to MPLT equal its unreserved fund balance; as such DPL has recorded due to MPLT of \$6,327,685 and \$1,501,174 as of September 30, 2018 and 2017, respectively. On September 14, 2018 and February 14, 2018, DPL transferred \$1,501,174 and \$866,339, respectively, to MPLT in accordance with requirements of the CNMI Constitution.

(2) Summary of Significant Accounting Policies

The accounting policies of DPL conform to accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. DPL's significant accounting policies are described below:

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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Notes to Financial Statements
September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Fund Accounting

The accompanying financial statements present balance sheets and statements of revenues, expenditures and changes in fund balances. The assets, liabilities and fund balances of DPL are reported in self-balancing funds. Transactions between funds, if any, have not been eliminated.

Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual; generally, when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within ninety days of the end of the current fiscal period.

Concentrations of Credit Risk

Financial instruments which potentially subject DPL to concentrations of credit risk consist principally of cash demand deposits and investments.

At September 30, 2018 and 2017, DPL has cash deposits and investments in bank accounts that exceed federal depository insurance limits. DPL has not experienced any losses in such accounts.

Cash and Cash Equivalents and Time Certificates of Deposit

For purposes of the balance sheets, DPL considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. At September 30, 2018 and 2017, total cash and cash equivalents, and the corresponding bank balances, were \$25,415,536 and \$24,195,585, respectively. The bank balances are maintained in a financial institution subject to Federal Deposit Insurance Corporation (FDIC) insurance as of September 30, 2018 and 2017 and deposits of \$250,000 were FDIC insured as of those dates. Public Law No. 12-61, the Government Deposit Safety Act of 1994, as amended, governs the general deposit policies of the CNMI and requires that all deposits of public funds made by the CNMI are to be collateralized by U.S. Government obligations at the rate of 100% of the corresponding bank deposit. As of September 30, 2018, deposits of \$25,415,536 maintained in a financial institution subject to FDIC insurance are collateralized by U.S. government obligations at the rate of 100%.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of \$11,207,208 and \$10,875,873 represent security deposits received from lessees as of September 30, 2018 and 2017, respectively.

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Notes to Financial Statements
September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Receivables

DPL leases and grants permits for the use of public lands within the CNMI and bills for these charges on a regular basis. The accumulated provision for uncollectible accounts is stated at an amount which management believes will be adequate to absorb possible losses on receivables that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. The allowance is established through a provision for bad debt charged to expense. Uncollectible accounts are written off by the specific identification method against the allowance.

Property and Equipment

Property and equipment of DPL are not recorded in the accompanying financial statements but are recorded in the general purpose financial statements of the CNMI. Property and equipment are stated at cost. Depreciation is provided by using the straight-line method over the estimated useful lives of the respective assets. Current policy is to capitalize items in excess of \$5,000.

Unearned Revenues

Unearned revenues represent prepaid lease income and other prepayments.

Compensated Absences

Vested or accumulated vacation leave is recorded as benefits accrue to employees. The liability at September 30, 2018 and 2017 amounted to \$140,264 and \$131,477, respectively. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Accumulated sick pay benefits as of September 30, 2018 and 2017 were \$171,893 and \$162,731, respectively.

Security Deposits

Security deposits are primarily comprised of \$10,000,000 related to a land lease in Garapan.

Reserved Fund Balance

Reserved fund balance amounts are constrained for specific purposes which are externally imposed. DPL has reserved fund balance of \$1,172,385 and \$1,775,256 for homestead development, \$412,306 and \$1,000,000 for establishment and adoption of a comprehensive land use plan for the CNMI, \$4,550,453 and \$4,854,044 for the ensuing years budget, \$1,000,000 and \$1,000,000 for settlement fees received (see note 5) and \$-0- and \$2,345,700 for various governmental divisions and projects at September 30, 2018 and 2017, respectively.

Homestead Development

During the years ended September 30, 2018 and 2017, DPL expended \$602,871 and \$-0-, respectively, on land surveying, road construction and right-of-ways for homestead development.

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Notes to Financial Statements
September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

Retirement Plan

DPL does not record pension expense and a related net pension asset or liability, deferred inflows of resources and deferred outflows of resources as such recording is the responsibility of the CNMI.

DPL contributed to the Northern Mariana Islands Retirement Fund's (NMIRF) defined benefit plan (DB Plan), a cost-sharing, multiple-employer plan established and administered by the CNMI. On September 30, 2013, the DB Plan was transferred to the Northern Mariana Islands Settlement Fund (NMISF). DPL also contributes to a defined contribution plan (DC Plan).

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 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 Public Law 17-82 to clarify those provisions necessary to expedite the refunds and to prevent any further frustration of the process. Included in the public law is the amendment of Section 203(a) of Title 1, Division 8, Part 3, which states that the government obligation to withhold and remit the employee's portion to the employee's defined account shall continue with respect to employees who do not terminate membership in the DB Plan. All but two active DPL employees voluntarily terminated membership in the DB Plan and DPL contributed \$21,260 and \$35,242 to the DB Plan during the years ended September 30, 2018 and 2017, respectively.

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 the member's compensation. DPL is required to contribute to each member's individual account an amount equal to 4% of the member's compensation. DPL's recorded DC contributions for the years ended September 30, 2018 and 2017 were \$29,977 and \$24,418, 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.

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Notes to Financial Statements
September 30, 2018 and 2017

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards

During the year ended September 30, 2018, DPL implemented the following pronouncements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements 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*, and provides guidance on reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which improves 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. 85, *Omnibus 2017*, which address practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).
- GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt.

The implementation of these statements did not have a material effect on DPL's financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for certain asset retirement obligations (AROs) associated with the retirement of a tangible capital asset. The provisions in Statement No. 83 are effective for fiscal years beginning after June 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. The provisions in Statement No. 84 are effective for fiscal years beginning after December 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in Statement No. 87 are effective for fiscal years beginning after December 15, 2019. Management has yet to determine whether the implementation of this statement will have a material effect on the financial statements.

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

New Accounting Standards, Continued

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The provisions in Statement No. 88 are effective for fiscal years beginning after June 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The provisions in Statement No. 89 are effective for fiscal years beginning after December 15, 2019. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. The provisions in Statement No. 90 are effective for fiscal years beginning after December 15, 2018. Management does not believe that the implementation of this statement will have a material effect on the financial statements.

Reclassification

Certain 2017 balances in the accompanying financial statements have been reclassified to conform to the 2018 presentation.

(3) Receivables

A summary of receivables as of September 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Leases and permits	\$ 3,005,045	\$ 12,069,760
Notes	2,545,128	7,018,346
Other receivables	<u>15,339</u>	<u>32,363</u>
	5,565,512	19,120,469
Less allowance for doubtful accounts	<u>(4,110,381)</u>	<u>(17,380,144)</u>
	\$ <u>1,455,131</u>	\$ <u>1,740,325</u>

During the year ended September 30, 2018, management of DPL wrote-off \$13,269,763 based on evaluations of the collectability of these accounts.

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Notes to Financial Statements
September 30, 2018 and 2017

(3) Receivables, Continued

During the years ended September 30, 2014, 2013, 2012, 2011 and 2010, DPL directly disbursed \$6,324, \$38,307, \$690,898, \$17,157 and \$1,249,460, respectively, to NMIRF. The disbursements may have duplicated payments made by the CNMI but, as reimbursement from NMIRF is uncertain, DPL has not recorded the amounts as a receivable.

(4) Due to CNMI

Effective October 1, 2007, disbursement of certain DPL expenses was centralized at the CNMI Department of Finance (DOF). DPL reimburses the CNMI for expenses paid on behalf of DPL. DPL reimbursed DOF \$4,335,634 and \$2,999,831 during the years ended September 30, 2018 and 2017, respectively. Due to CNMI of \$988,635 and \$1,143,018 as of September 30, 2018 and 2017, respectively, represents DPL expenses paid by the CNMI which have not been reimbursed.

(5) Revenues

DPL leases and grants permits for the use of public lands. Lease and permit terms range from one to twenty-five years and in most instances contain provisions for percentage rent. Lease and permit income for the years ended September 30, 2018 and 2017 amounted to \$7,359,713 and \$7,961,652, respectively. Minimum future lease income is as follows:

<u>Year ending September 30,</u>	<u>Minimum Lease Income Due</u>
2019	\$ 525,888
2020	505,592
2021	498,536
2022	457,819
2023	448,147
2024 - 2028	1,922,968
2029 - 2033	1,338,686
2034 - 2038	340,386
2039 - 2040	<u>67,147</u>
	<u>\$ 6,105,169</u>

On April 26, 2016, the CNMI Office of the Attorney General filed cross-claims on behalf of DPL against a lessee and a third party for unfair and deceptive trade practices in connection with a pending DPL request for proposal. On May 9, 2016, the entire case including the antitrust claims were settled through mediation, with DPL receiving \$500,000 from each of the parties. A dispute now exists as to the source of the \$1,000,000 settlement proceeds and whether such proceeds, which the Commonwealth could have brought in a separate action, but for reasons of expediency and to avoid any argument of claim preclusion if brought separately were brought in the name of the Secretary of DPL, must be remitted to MPLT. DPL has not remitted these proceeds to the General Fund or to MPLT as it may face challenges from either side and the amount has been reserved within fund balance in the accompanying financial statements.

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Notes to Financial Statements
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(6) Commitment

DPL leases office space in Saipan, Rota and Tinian. The leases provide for an annual rental of \$85,374 on Saipan, \$8,040 on Rota and \$7,200 on Tinian during the terms of the leases. Effective January 1, 2018, Rota's annual rental increased to \$15,000. Total future minimum lease payments under these leases for subsequent years ending September 30 are as follows:

<u>Year ending September 30,</u>	
2019	\$ 156,717
2020	192,765
2021	184,815
2022	<u>75,756</u>
	\$ <u>610,053</u>

(7) Contingencies

The CNMI Constitution requires that all revenues received by DPL in excess of the amount necessary to meet reasonable expenses of administration and management, land surveying, homestead development, and any other expenses reasonably necessary for the accomplishment of its functions, must be transferred to MPLT. Management of DPL has determined that certain transactions may have violated DPL's constitutional mandate. The effects of potential noncompliance with the CNMI Constitution could not be determined by DPL management and are not reflected in the accompanying financial statements.

(8) Risk Management

DPL is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. DPL has elected to purchase commercial insurance from independent third parties for the risks of losses to which it is exposed. Settled claims from these risks have not exceeded commercial insurance coverage.

(9) Subsequent Events

On October 15, 2018, the CNMI Office of the Attorney General (OAG) issued an opinion on the constitutionality of DPL's expenditure of revenues from public lands to cover its operating expenses. The opinion concluded that supplemental appropriations to DPL may not be made from unobligated and unencumbered prior fiscal year balances and that these balances must be transferred to MPLT. As such, DPL disbursed \$3,345,700 on May 3, 2019 and \$2,414,477 on May 13, 2019 to MPLT.

The OAG opinion also questioned how much, if any, and for what may the Legislature appropriate from public land revenues to DPL and recommended that a certified question be presented to the CNMI Supreme Court.