

**MARIANAS PUBLIC LAND TRUST  
(A COMPONENT UNIT OF THE COMMONWEALTH  
OF THE NORTHERN MARIANA ISLANDS)**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Marianas Public Land Trust:

We have audited the accompanying statements of net assets of the Marianas Public Land Trust (MPLT), a component unit of the Commonwealth of the Northern Mariana Islands (CNMI), as of September 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of MPLT's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MPLT's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Marianas Public Land Trust as of September 30, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Marianas Public Land Trust's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audits were conducted for the purpose of forming an opinion on the Marianas Public Land Trust's basic financial statements. The accompanying combining information presented on pages 35 through 37 and schedules of investments and administrative expenses compared to budget presented on pages 38 through 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This combining information and schedules are the responsibility of the Marianas Public Land Trust's management. The combining information and schedules have been subjected to the auditing procedures applied by us in the audit of the 2011 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2012, on our consideration of internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Deloitte & Touche LLC*

February 13, 2012



## Management's Discussion and Analysis Year Ended September 30, 2011

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, 2011. 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. Both of these documents came into full force and effect on January 9, 1978.

Article XI, Section 6 of the Constitution 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. Each trustee shall annually submit to the Governor and the presiding officers of the Legislature a report disclosing their financial affairs, as provided by law."

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 defensive 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 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.

Furthermore, Section 803 provides for over 53 hectares of the leased property at Tanapag Harbor to be made available to the United States, at no cost to the Commonwealth, to establish an American Memorial Park to honor the American and Chamorros who died in the World War II Marianas Campaign. The \$2 million received from the United States for the lease of this property would be placed into a trust fund with the "income" to be used for the development and maintenance of the park.

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. In 1991, 2007 and 2008, additional distributions were received of \$1,000,000, \$1,250,000 and \$3,500,000, respectively, from the Marianas Public Land Corporation and its successor, 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, 2010, 2009 and 2008.

- The assets of MPLT decreased in 2011 by \$1,673,342 over the amount at 2010. This net decrease in assets was due primarily to a "soft" securities market that resulted in increased loss of security values as well as realized losses due to the sales of securities. Additionally, losses were recognized due to valuation of our local investments.

The assets of MPLT decreased in 2010 by \$1,646,226 over the amount at 2009. This net decrease in assets was due primarily to the actual distribution of past accumulated interest from the Northern Marianas Housing Corporation (NMHC) loan plus an advance of future contributions to the Commonwealth of the Northern Mariana Islands (CNMI) General Fund. This decrease from distributions was compensated by an increase in the fair value of investments.

- Total liabilities for 2011 increased by \$1,946,459 over the amount from 2010 attributable to recognition of \$1,950,418 due to the CNMI Government.

Total liabilities for 2010 decreased by \$4,587,499 from 2009 due to decreases in due to CNMI General Fund and due to brokers of \$4,412,649 and \$175,084, respectively.

- The above changes resulted in a decrease in net assets of \$3,619,801 for 2011 and an increase in net assets of \$2,941,273 for 2010 and \$3,580,354 for 2009.
- 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 2011, 2010 and 2009 were \$(257,861), \$5,565,526 and \$6,643,905, respectively.
- The total performance of MPLT for 2011 was 0.55% as the security markets showed no growth for the year, 2010 was 8% as growth was minimal and 2009 was 10% due to the partial recovery from the recession.
- The overall administrative costs increased in 2011 by 14% or \$112,291. This was due primarily to the recognition of an impairment loss from the decline in value of the land held for future development. Otherwise, the administrative costs would have decreased by \$28,709.

## **MPLT General Fund Operations**

The Board of Trustees amended its Investment Policy Statement in December 2010 in order to increase its fixed income yield by adding an allocation for convertible securities. Also, an allocation was made to alternative investments in order to pursue the growth occurring in Asia. In August 2011, MPLT established a Local Investments Diversified Class program within the Domestic High Yield Fixed Income Asset Class (described as "Local Investments Diversified" or "DLI"). The DLI refers to investments that are structured or designed to encourage a diversification of investments by MPLT within the CNMI. Currently, the Board of Trustees is contemplating removal of the High Yield and Local High Yield as well as the Alternative Investments as these asset classes had not been funded. This would increase Domestic "Core" Fixed Income to 60%, which favors current investment income as opposed to long-term growth, which matches the beneficiaries' current needs.

The investment income for 2011, 2010 and 2009 was \$2,942,976, \$2,345,965 and \$2,777,718, respectively.

The distributions to the CNMI General Fund paid for 2011, 2010 and 2009 was \$2,248,926, \$1,625,996 and \$2,013,563, respectively. The cumulative amount distributed to the CNMI General Fund since inception in 1983 has been \$49,973,659. This has occurred while growing the principal fund by \$31,603,083 for the same time-period. The General Fund's annual return for 2011 was 0.67%, 2010 was 8.02% and 2009 was 10%.

The loan made to NMHC became nonperforming 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, 2011 (current value of \$3,828,943). Interest on this investment is being recognized based upon collections.

## **General Fund Condensed Financial Statements Summaries:**

### **STATEMENTS OF NET ASSETS**

<u>Assets</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 3,580,828	\$ 1,960,746	\$ 19,474,121
Other assets, restricted	52,003,958	54,209,128	40,548,730
Notes receivable - noncurrent portion	7,552,805	8,223,427	6,353,679
Capital assets	209,744	354,358	333,931
Total	<u>\$ 63,347,335</u>	<u>\$ 64,747,659</u>	<u>\$ 66,710,461</u>
<b><u>Liabilities and Net Assets</u></b>			
Current liabilities	<u>\$ 2,051,650</u>	<u>\$ 104,277</u>	<u>\$ 4,700,928</u>
Invested in capital assets	209,744	354,358	333,931
Restricted	61,085,941	64,289,024	61,675,602
Net assets	<u>61,295,685</u>	<u>64,643,382</u>	<u>62,009,533</u>
Total	<u>\$ 63,347,335</u>	<u>\$ 64,747,659</u>	<u>\$ 66,710,461</u>

### **STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues, net	\$ (263,321)	\$ 4,979,814	\$ 5,997,902
Operating expenses	(835,450)	(719,969)	(764,156)
Nonoperating income (expenses), net	<u>(2,248,926)</u>	<u>(1,625,996)</u>	<u>(2,013,563)</u>
Change in net assets	(3,347,697)	2,633,849	3,220,183
Beginning net assets	<u>64,643,382</u>	<u>62,009,533</u>	<u>58,789,350</u>
Ending net assets	<u>\$ 61,295,685</u>	<u>\$ 64,643,382</u>	<u>\$ 62,009,533</u>

### **STATEMENTS OF CASH FLOWS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities	\$ 1,935,145	\$ (2,921,393)	\$ 2,489,569
Cash flows from noncapital financing activities	-	(71,342)	(313,563)
Cash flows from capital and related financing activities	(19,359)	(39,595)	(1,622)
Cash flows from investing activities	<u>(122,105)</u>	<u>(14,699,146)</u>	<u>13,637,499</u>
Net increase (decrease) in cash and cash equivalents	1,793,681	(17,731,476)	15,811,883
Cash and cash equivalents at beginning of year	<u>1,026,333</u>	<u>18,757,809</u>	<u>2,945,926</u>
Cash and cash equivalents at end of year	<u>\$ 2,820,014</u>	<u>\$ 1,026,333</u>	<u>\$ 18,757,809</u>

The statements above are inclusive of amounts due from the Park Fund of \$5,567 that is eliminated in the accompanying financial statements.

### **Capital Assets:**

At September 30, 2011, 2010 and 2009, MPLT had \$209,744, \$354,358, and \$333,931, respectively, in capital assets, net of accumulated depreciation where applicable, including land, leasehold improvements, furniture, fixtures and equipment and vehicles, which represent a net decrease in 2011 of \$144,614, a net increase in 2010 of \$20,427 and a net decrease in 2009 of \$16,640. See note 4 to the financial statements for more information on MPLT's capital assets.

**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 that MPLT is currently performing. This involves periodic rebalancing of the portfolio to comply with its asset allocation investment policy. Occasionally, the Board of 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 2011 was (0.12)%, 2010 was 7.65%, and 2009 was 8.8%. The Park Fund has not suffered local investment losses as it only invests to benefit the American Memorial Park (AMP). 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 AMP. The income on this principal contribution can only be used for the maintenance and development of AMP. Accordingly, this initial principal contribution has been prudently managed since 1983 and has grown to \$7,750,041. This has been accomplished while distributing \$5,130,583 for AMP maintenance and development.

As part of a plan to make some of the principal available for development of 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 AMP:

1. AMP Visitor/Cultural Center	\$ 1,305,200
2. AMP 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 \$17,200. It is through this mechanism that MPLT has been able to benefit AMP and sustain new development.

The Board of Trustees also amended its Investment Policy Statement at the same time and manner as was previously described for the General Fund. It is the policy of the Board of Trustees to maintain the same asset allocation for both part of MPLT. The shift toward increased investment income was deemed necessary to support the debt service on the CDA/AMP loan and to provide resources for routine maintenance of AMP.



## **Park Fund Condensed Financial Statements Summaries:**

### **STATEMENTS OF NET ASSETS**

<b><u>Assets</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Current assets	\$ 554,607	\$ 352,124	\$ 1,938,718
Other assets, restricted	6,226,927	6,583,591	4,557,372
Notes receivable - noncurrent portion	984,143	1,132,843	1,254,243
Total	<u>\$ 7,765,677</u>	<u>\$ 8,068,558</u>	<u>\$ 7,750,333</u>
<b><u>Liabilities and Net Assets</u></b>			
Current liabilities	\$ 15,636	\$ 46,413	\$ 35,612
Restricted principal	7,423,806	7,768,884	7,496,186
Restricted income	326,235	253,261	218,535
Net assets	<u>7,750,041</u>	<u>8,022,145</u>	<u>7,714,721</u>
Total	<u>\$ 7,765,677</u>	<u>\$ 8,068,558</u>	<u>\$ 7,750,333</u>

### **STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Operating revenues	\$ 5,460	\$ 585,712	\$ 646,003
Operating expenses	(68,609)	(71,799)	(66,064)
Nonoperating income (expenses), net	(208,955)	(206,489)	(219,768)
Change in net assets	(272,104)	307,424	360,171
Beginning net assets	<u>8,022,145</u>	<u>7,714,721</u>	<u>7,354,550</u>
Ending net assets	<u>\$ 7,750,041</u>	<u>\$ 8,022,145</u>	<u>\$ 7,714,721</u>

### **STATEMENTS OF CASH FLOWS**

	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash flows from operating activities	\$ 161,764	\$ 241,272	\$ 302,255
Cash flows from noncapital financing activities	-	(206,489)	(219,768)
Cash flows from investing activities	11,586	(1,632,121)	1,081,699
Net increase (decrease) in cash and cash equivalents	173,350	(1,597,338)	1,164,186
Cash and cash equivalents at beginning of year	<u>186,393</u>	<u>1,783,731</u>	<u>619,545</u>
Cash and cash equivalents at end of year	<u>\$ 359,743</u>	<u>\$ 186,393</u>	<u>\$ 1,783,731</u>

The statements above are inclusive of amounts due to the General Fund of \$5,567 that is eliminated in the accompanying financial statements.

### **Goals and Objectives:**

It is the intention of the Board of Trustees to continue to provide financial assistance to AMP 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 Board of Trustees plans to continue this past record of achievement and use it as a basis for further enhancements of a facility, which benefits the CNMI as a whole.

## **Economic Outlook**

In 2008, MPLT suffered its largest loss of principal since 2002. This was due to the worldwide credit collapse and resulting recession. In 2009, a recovery of investment values began but did not completely recover the loss from 2008. In 2010, the rate of increase for valuations slowed revealing a weak recovery. This weak recovery trend deepened in 2011 resulting in no growth to investment values. The outlook for 2012 remains uncertain as unemployment remains high and foreign sovereign debt is problematic. There is also the potential for inflation. These factors will likely keep equity values in a slow growth mode for quite some time. It will likely take many years before the United States experiences a booming economy once again. MPLT has a long-term time horizon. Accordingly, MPLT is committed to its current investment allocation. Whereas, MPLT may add additional asset classes, the basic investment approach will remain the same.

## **Contacting MPLT's Financial Management**

This report is designed to provide the branches of the CNMI Government and the public at large with a general overview of MPLT's finances and to show MPLT's accountability for the money it receives. The Management's Discussion and Analysis for the year ended September 30, 2010 is set forth in the report on the audit of MPLT's financial statements, which is dated April 25, 2011. The Discussion and Analysis explains the major factors impacting the 2010 financial statements. If you have questions about this report or the 2010 or 2009 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](mailto:mplt@mplt.gov.mp).

MARIANAS PUBLIC LAND TRUST

Statements of Net Assets  
September 30, 2011 and 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 3,179,757	\$ 1,212,726
Receivables:		
Notes receivable, current portion	412,938	604,538
Accrued income	426,980	400,184
Other	9,051	8,762
Due from brokers	85,919	46,597
Prepaid expense	15,223	4,633
Total current assets	<u>4,129,868</u>	<u>2,277,440</u>
Other assets:		
Investments	<u>58,230,885</u>	<u>60,792,719</u>
Total other assets	<u>58,230,885</u>	<u>60,792,719</u>
Noncurrent assets:		
Notes receivable, net of current portion and allowance for loan losses	8,536,948	9,356,270
Capital assets (net of accumulated depreciation)	<u>209,744</u>	<u>354,358</u>
Total noncurrent assets	<u>8,746,692</u>	<u>9,710,628</u>
	<u>\$ 71,107,445</u>	<u>\$ 72,780,787</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 38,055	\$ 32,863
Due to CNMI Government	1,968,159	17,741
Due to brokers	52,337	59,050
Accrued expenses	<u>3,168</u>	<u>5,606</u>
Total liabilities	<u>2,061,719</u>	<u>115,260</u>
Commitment and contingency		
Net assets:		
Invested in capital assets	209,744	354,358
Restricted	<u>68,835,982</u>	<u>72,311,169</u>
Total net assets	<u>69,045,726</u>	<u>72,665,527</u>
	<u>\$ 71,107,445</u>	<u>\$ 72,780,787</u>

See accompanying notes to financial statements.

MARIANAS PUBLIC LAND TRUST

Statements of Revenues, Expenses and Changes in Net Assets  
Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Net (decrease) increase in the fair value of investments	\$ (2,906,324)	\$ 2,906,547
Interest income:		
Investments, net	2,491,443	1,886,841
Notes receivable	471,852	388,962
Other	1,409	6,474
Dividend income	<u>328,810</u>	<u>376,702</u>
	387,190	5,565,526
Provision for allowance for loan losses of the Home Loan Program	(658,000)	-
Recovery of note receivable	<u>12,949</u>	<u>-</u>
Operating revenues, net	<u>(257,861)</u>	<u>5,565,526</u>
Operating expenses:		
Money manager fees	174,889	179,456
Impairment loss	141,000	-
Consultancy fees	121,903	126,780
Professional fees	89,970	46,614
Money management administration	84,181	73,044
Contract services	65,000	66,165
Salaries and benefits	59,375	86,108
Loan administration fee	51,968	72,994
Office supplies	49,362	66,740
Depreciation	21,743	19,168
Trustees' expenses	18,345	25,202
Audit	14,000	15,651
Rent and utilities	<u>12,323</u>	<u>13,846</u>
Total operating expenses	<u>904,059</u>	<u>791,768</u>
Operating (loss) income	<u>(1,161,920)</u>	<u>4,773,758</u>
Other nonoperating expenses:		
Net contribution to the CNMI General Fund/ American Memorial Park	<u>(2,457,881)</u>	<u>(1,832,485)</u>
Total nonoperating expenses	<u>(2,457,881)</u>	<u>(1,832,485)</u>
Change in net assets	(3,619,801)	2,941,273
Net assets at beginning of year	<u>72,665,527</u>	<u>69,724,254</u>
Net assets at end of year	<u>\$ 69,045,726</u>	<u>\$ 72,665,527</u>

See accompanying notes to financial statements.

MARIANAS PUBLIC LAND TRUST

Statements of Cash Flows  
Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from operations	\$ 2,899,147	\$ 2,501,936
Cash payments to suppliers for goods and services	(802,238)	(5,338,488)
Net cash provided by (used for) operating activities	<u>2,096,909</u>	<u>(2,836,552)</u>
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(19,359)	(39,595)
Net cash used for capital and related financing activities	<u>(19,359)</u>	<u>(39,595)</u>
Cash flows from investing activities:		
Net decrease (increase) in notes receivable	233,971	(3,672,597)
Net increase in restricted assets	(344,490)	(12,780,070)
Net cash used for investing activities	<u>(110,519)</u>	<u>(16,452,667)</u>
Net increase (decrease) in cash and cash equivalents	1,967,031	(19,328,814)
Cash and cash equivalents at beginning of year	<u>1,212,726</u>	<u>20,541,540</u>
Cash and cash equivalents at end of year	<u>\$ 3,179,757</u>	<u>\$ 1,212,726</u>
Reconciliation of operating (loss) income to net cash provided by (used for) operating activities:		
Operating (loss) income	\$ (1,161,920)	\$ 4,773,758
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:		
Net decrease (increase) in fair value of investments	2,906,324	(2,906,547)
Noncash interest income	(357,823)	(156,431)
Depreciation	21,743	19,168
Loss on disposal of fixed assets	1,230	-
Impairment loss	141,000	-
Bad debts	645,051	-
(Increase) decrease in assets:		
Receivable - accrued income	(26,796)	(150,049)
Other receivable	(289)	(1,885)
Due from brokers	(39,322)	152,973
Prepaid expense	(10,590)	19,960
Increase (decrease) in liabilities:		
Accounts payable	5,192	(310)
Due to CNMI Government	(17,740)	(4,412,649)
Payable to brokers	(6,713)	(175,084)
Accrued expenses	(2,438)	544
Net cash provided by (used for) operating activities	<u>\$ 2,096,909</u>	<u>\$ (2,836,552)</u>
Supplemental schedule of noncash operating, financing and investing activities:		
MPLT applied \$280,767 of the required income distribution to the CNMI General Fund for the year ended September 30, 2011 as an interest payment against the CNMI's note receivable.		
Increase in interest expense	\$ (280,767)	\$ (71,342)
Increase in net contribution	<u>280,767</u>	<u>71,342</u>
	<u>\$ -</u>	<u>\$ -</u>
MPLT applied \$208,956 of the required income distribution of the American Memorial Park Fund for the year ended September 30, 2011 as a repayment of CDA's note receivable and related interest.		
Decrease in notes receivable	\$ (131,900)	\$ (121,400)
Increase in interest expense	(77,055)	(85,089)
Increase in net contribution	<u>208,955</u>	<u>206,489</u>
	<u>\$ -</u>	<u>\$ -</u>
Pursuant to Public Law 16-7 (as amended by Public Law 17-7 in fiscal year 2010), MPLT applied \$1,554,654 of the required income distribution of the CNMI General Fund for the year ended September 30, 2010 as a repayment of CUC's note receivable.		
Decrease in notes receivable	\$ -	\$ (1,554,654)
Increase in net contribution	<u>-</u>	<u>1,554,654</u>
	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

## (1) Organization and Purpose

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

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

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

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

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

## (2) Summary of Significant Accounting Policies

The accounting policies of MPLT conform to accounting principles generally accepted in the United States of America, as applicable to governmental entities, specifically proprietary funds. Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989. MPLT has implemented GASB 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Estimates

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

### Basis of Accounting

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the statements of net assets. Proprietary fund operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net assets. The accrual basis of accounting is utilized for proprietary funds. Under this method, revenues are recorded when earned and expenses recorded at the time liabilities are incurred.

### Concentrations of Credit Risk

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

At September 30, 2011 and 2010, MPLT has cash deposits and investments in bank accounts that exceed federal depository insurance limits. MPLT has not experienced any losses in such accounts.

### Cash and Cash Equivalents

For purposes of the statements of net assets and cash flows, MPLT considers all cash held in demand accounts with initial maturities of ninety days or less, to be cash and cash equivalents. At September 30, 2011 and 2010, total cash and cash equivalents were \$3,179,757 and \$1,212,726, respectively, and the corresponding bank balances were \$288,691 and \$100,296, respectively. Of the bank balance amount, \$288,691 and \$100,296 are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance as of September 30, 2011 and 2010, respectively. Bank deposits in the amount of \$287,532 and \$96,050 were FDIC insured as of September 30, 2011 and 2010, respectively. Bank deposits in the amount of \$3,405 and \$3,261 were uninsured at September 30, 2011 and 2010, respectively.

At September 30, 2011 and 2010, unrestricted cash and cash equivalents consisted of the following:

	<u>2011</u>	<u>2010</u>
Custodian money market sweep deposits	\$ 2,888,820	\$ 1,113,415
Deposits with federally insured banks	287,532	96,050
Uninsured deposits	<u>3,405</u>	<u>3,261</u>
	<u>\$ 3,179,757</u>	<u>\$ 1,212,726</u>

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Cash and Cash Equivalents, Continued

As of September 30, 2011 and 2010, custodian money market sweep deposits of \$2,888,820 and \$1,113,415, respectively, are held and administered by an investment manager subject to Securities Investor Protection Corporation (SIPC) insurance up to \$250,000 and \$100,000, respectively, with coverage in excess of SIPC provided by a supplemental insurance policy through certain underwriters with a per client aggregate limit of \$1.9 million.

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

### Investments

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, 2011, MPLT's investment in U.S. agency obligations of the Freddie Mac Federal Home Loan Mortgage Corporation and Fannie Mae Federal National Mortgage Association constituted 8% and 8%, respectively, of its total investments. As of September 30, 2010, MPLT's investment in U.S. agency obligations of the Freddie Mac Federal Home Loan Mortgage Corporation and Fannie Mae Federal National Mortgage Association constituted 7% and 6%, respectively, of its total investments.

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

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

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

- Must be a Registered Investment Advisor with exclusive focus on providing objective investment management consulting at an institutional level, having the support of a staff and/or organization, focused and experienced in consulting only.



# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

- The candidate should be objective, free of conflict of interest and free to secure services from leading third party providers that will best suit the interest of MPLT.
- Firms must demonstrate experience in the breadth and depth of its professional staff.
- Ability to provide unbiased fiduciary and financial advice to public trusts.
- Knowledge of legislative, operational and legal aspects of the local public trusts.
- Ownership or ready access to relevant and comprehensive performance databases with proven and verifiable process for the institutional client.
- Ability to provide quantitative analysis of manager and total fund performance. In particular, attribution analysis to maintain the interests of the management styles and strategic asset allocation.
- Ability to provide on-going training.
- Firms must be recognized as having substantial experience in the institutional level investment management consulting field. Firms offering consulting as incidental to their securities business may not be considered.
- May not be an investment manager with discretion over MPLT assets.

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

- (i) The Trustees, with the assistance of the investment consultant, will select appropriate investment managers to manage MPLT assets. Investment managers must meet the following minimum criteria:
1. Be a bank, insurance company, investment management company, or investment adviser as defined by the Registered Investment Advisers Act of 1940, or equivalent as might be determined appropriate by the Trustees.
  2. Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, reported gross of fees.
  3. Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of comparable investment style.
  4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
  5. Clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

6. Selected firms shall have no outstanding legal judgments or past judgments that may reflect negatively upon the firm.
- (ii) Every money manager selected to manage MPLT assets must adhere to the following guidelines.
1. The following securities and transactions are not authorized unless receiving prior Trustees approval:
    - Letter stock and other unregistered securities; commodities or other commodity contracts; and short sales or margin transactions.
    - Securities lending; pledging or hypothecating securities.
    - Investments in the equity securities of any company with a record of less than three years of continuous operation (including the operation of any predecessor) and investments for the purpose of exercising control of management are all restricted.
  2. Domestic Equities:
    - Equity holdings in any one company should not exceed more than 10% of the market value of MPLT's equity portfolio.
    - Investments in any one sector should not be excessive.
    - The manager may emphasize quality in security selection of the specific style hired to manage and may avoid risk of large loss through diversification within its mandated style.
    - The managers may have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the managers will be evaluated against their peers on the performance of the total funds under their direct management.
    - Holdings of individual securities may be large enough (round lots) for easy liquidation.
  3. Convertible Securities:
    - Convertible bonds and convertible preferred stocks are permissible holdings, but the preponderance of holdings (75% plus) should be in bonds.
    - Holdings may be U.S. companies and non-U.S. companies, but the preponderance (75% plus) should be in U.S. companies.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 3. Convertible Securities, Continued:

- Convertible holdings in any one company should not exceed more than 10% of the market value of the Trust's convertible portfolio.
- Investments in any one sector should not be excessive.
- The manager may emphasize quality in security selection of the specific style hired to manage and may avoid risk of large loss through diversification within its mandated style.
- The managers may have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the managers will be evaluated against their peers on the performance of the total funds under their direct management.
- Holdings of individual securities may be large enough (round lots) for easy liquidation.

#### 4. Domestic Fixed Income:

- All fixed-income securities held in the portfolio may have a nationally recognized credit quality rating of no less than "BBB" from Moody's, Standard & Poor's and/or Fitch's. U.S. Treasury and U.S. government agencies, which are unrated securities, are qualified for inclusion in the portfolio.
- No more than 20% of the market value of the fixed income portfolio may be rated less than single "A" quality, unless the manager has specific written authorization.
- The exposure of the portfolio to any other issuer, other than securities of the U.S. government or agencies, may not exceed 10% of the market value of the fixed income portfolio.

#### 5. Domestic High Yield Fixed Income:

- All high yield fixed income securities held in the portfolio may have a nationally recognized credit quality rating of no less than "CCC" from Moody's, Standard & Poor's and/or Fitch.
- No more than 20% of the market value of the high yield fixed income portfolio may be rated less than single "B" quality, unless the manager has specific written authorization.
- The exposure of the portfolio to any other issuer may not exceed 10% of the market value of the high yield fixed income portfolio.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 6. Local Investments:

MPLT establishes Local Investments within the Domestic Income. Local Investments are those investments which originate from within the CNMI without regard to each island. The touchstone of classification within Local Investments is that investment vehicles in this class may be unique or specially targeted toward the CNMI economy or market.

##### A. High Yield Local Investments Class:

MPLT has established a High Yield Local Investments program within the Domestic High Yield Fixed Income Asset Class (described as "Local High Yield" or "LHY"). This program is intended to allow MPLT or its consultants to entertain and consider prospects for investments in local programs but under the High Yield standard of return. MPLT must balance its fiduciary mandate to generate income from investments for the General Fund while allowing for consideration of possible local investments under competitive rates of return. MPLT will no longer analyze local investments simply on grounds of the social benefits of such investments. MPLT's experience under the LHY, as well as the existing economic conditions, compels strict discipline in demanding high yield given the attending high risks of such ventures. While the Trustees may be sympathetic as to the need to develop certain industries or ventures, MPLT is charged with generating income from its investments as opposed to local economic development. In the face of competing interests, MPLT must favor high yield income programs from local investments. There are various reasons for doing so including the following: local companies may lack sufficient capitalization; promissory notes or other security may not be traded and so they have no liquidity or marketability; local promissory notes are not rated and are considered less than investment grade; the proposing entity's financial profile suggests great challenges in servicing any investment by MPLT; credit ratings for such proposing entities are often low or high risk; the proposing entity is often unable to raise capital or secure other investors; and there is often a lack of sufficient collateral for investment.

Under the Local High Yield program, MPLT may limit the time horizon for each investment to no more than five years (60 months) for recovery of the principal investment. This is not a low-income nor a low-interest program. Rather, the LHY contemplates a high yield standard of interest due to the risks. Although MPLT contemplates direct administration of the Local High Yield program, it may retain local administrators or managers at its discretion. The following constitute the standards of review of investments under the Local High Yield Asset Class:

- Risk-adjusted, market rates of return should be the primary consideration; with special attention paid to whether the LHY involves significantly greater financial risk.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 6. Local Investments, Continued:

##### A. High Yield Local Investments Class, Continued:

- MPLT may establish one within the first quarter of each fiscal year to solicit, through a Request for Proposal, investment proposals under the LHY. This solicitation period may be no more than 30 days for each fiscal year. There may be no additional solicitation periods for each fiscal year.
- Proposal evaluations for LHY may include, but are not limited to, the following: credit worthiness of the proposer; the nature, type and value of the collateral offered to secure the investment; the experience of the proposer as to business development or in the applicable industry; references; a credit report; full authorization to MPLT to obtain tax, license, and other regulatory information; a tax clearance certification from the CNMI Division of Revenue and Taxation for all principals and the proposing entity; all copies of any court pleadings or litigation files including any administrative proceedings with the Department of Commerce, personal income tax returns and business gross revenue returns for the immediate prior five calendar years or the tax years in existence, whichever is less; a detailed itemization of costs; a detailed projection of income; a detailed Business Plan; and all Curriculum Vitae, including employment history and Criminal Background Clearance Sheet for all principals.
- MPLT may secure opinion and analyses from its investment consultants, legal counsel, and other entities with expertise whenever appropriate, and solicit community input as necessary, commensurate with standards of fiduciary care.
- Any LHY proposal may, at all times, be compared with the Domestic High Yield asset classification particularly as to risk and rates of return.
- Specific LHY proposals should be evaluated against investments of a similar asset class within the CNMI.
- An LHY should be an attractive investment on its own merits, and not be considered simply because MPLT has "available capital".
- A viable LHY should be able to attract external financing: a proposed LHY funded entirely by MPLT should be limited in size and scope and subjected to close scrutiny.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 6. Local Investments, Continued:

##### A. High Yield Local Investments Class, Continued:

The Trustees recognize the importance of establishing a competitive risk-adjusted rate of return policy as part of their due diligence in identifying and documenting LHY projects. Having a clear policy is fundamental in documenting and completing the preceding recommended guidelines. Accordingly, as part of the investment analysis, the identification of the source of repayment of a fixed-income security, e.g., promissory note, municipal bond, etc., is of primary consideration. Evaluation of the credit rating for such repayment source is fundamental to establishment of the risk-adjusted rate of return. Since such investments are not marketable locally or in the markets due to their risk and other limitations, then an "illiquidity premium" must be recognized and added to the base risk-adjusted rate. Due to the fact that administration of a High Yield Local Investment program is much more time-consuming and costly than a managed portfolio for MPLT, the assessment of a loan origination fee may be assessed and MPLT may establish that fee at the beginning of each fiscal year for all proposing entities, regardless of amount. Further, as part of the fee, MPLT may include fees for servicing costs, legal review fees, consultancy review fees, and any travel costs. In adopting this policy, MPLT may consider all proposing entities equally and comparatively, reserving the right to enlist the assistance of financial or other business experts to evaluate those proposals.

This LHY policy applies only to the MPLT General Fund and does not relate to the American Memorial Park. In the case of the American Memorial Park Fund, any LHY are limited to directly benefiting the beneficiary, American Memorial Park, by funding development projects.

##### B. Diversified Local Investments Class:

MPLT has established a Local Investments Diversified Class program within the Domestic High Yield Fixed Income Asset Class (described as "Local Investments Diversified" or "DLI"). The DLI refers to investments that are structured or designed to encourage a diversification of investments by MPLT within the CNMI. With DLIs, MPLT seeks to structure or consider investment vehicles which provide minimal rates of market return with attending corollary benefits. Such corollary benefits may include, but are not limited to, economic development; government stabilization or stimulus programs; affordable housing programs; and scholarships. In the DLI class, the MPLT Trustees may allow for a minimally prudent rate of return where the corollary benefits provide an attending quantifiable return to the CNMI community, particularly to persons of Northern Marianas Descent or benefit persons of Northern Marianas Descent.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 6. Local Investments, Continued:

##### B. Diversified Local Investments Class, Continued:

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

The MPLT Trustees recognize the importance of establishing a competitive risk-adjusted rate of return policy as part of consideration of a DLI. Every DLI proposal under consideration shall, as part of the investment analysis, identify the source of repayment of a fixed-income security such as a mortgage; surety bond; promissory note; or other security as primary consideration. Evaluating the credit-rating or the risk of the DLI or its proposer is also necessary. MPLT also anticipates that such DLIs may not be marketable so that an “illiquidity premium” should be recognized or considered and added to the risk-adjusted rate. MPLT may require that the risk-adjusted rate may be a floating rate to the appropriate pricing index and adjusted on a quarterly or semi-annual basis. MPLT may also impose a loan origination fee and assess charges for costs of administration at no less than 2% per annum; legal fees; travel/accommodations; and other necessary fees. The Local Investment program applies only to the MPLT General Fund and does not relate to the American Memorial Park Fund.

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

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

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### 6. Local Investments, Continued:

##### B. Diversified Local Investments Class, Continued:

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

#### 7. International (Developed & Emerging Markets) Equities:

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



# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

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

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

#### 9. Cash/Cash Equivalents:

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

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

	General Fund			Park Fund		
	Lower Limit	Strategic Allocation	Upper Limit	Lower Limit	Strategic Allocation	Upper Limit
<b>Domestic Equities:</b>						
<i>Large Cap Core</i>	0%	10%	20%	0%	10%	20%
<b>International Equities:</b>						
<i>Emerging Markets</i>	0%	5%	15%	0%	5%	15%
<b>Convertible Securities</b>	0%	10%	20%	0%	10%	20%
<b>Domestic Fixed Income:</b>						
<i>Core</i>	35%	45%	55%	35%	45%	55%
<i>High Yield</i>	0%	5%	10%	0%	5%	10%
<i>Local High Yield</i>	0%	5%	10%	0%	5%	10%
<b>Non U.S. Fixed Income:</b>						
<i>International Bonds</i>	0%	10%	20%	0%	10%	20%
<b>Alternative Investments:</b>						
<i>TBD</i>	0%	10%	20%	0%	10%	20%

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### Investments, Continued

#### Rebalancing of Strategic Allocation

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

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

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

#### Frequency

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

1. Cash Flow Requirements
2. Significant Market Action

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

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

#### Liquidity

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

MPLT values its investments at fair value in accordance with GASB Statement 31. MPLT's investments as of September 30, 2011 and 2010 (with combining information as of September 30, 2011) are as follows:

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

	<u>General Fund</u>	<u>Park Fund</u>	<u>2011</u>	<u>2010</u>
Mutual funds	\$ 7,265,272	\$ 687,318	\$ 7,952,590	\$ 8,289,520
Equities:				
Domestic preferred stock	906,884	120,345	1,027,229	-
International preferred stock	45,654	6,079	51,733	-
Domestic common stock	4,929,423	1,287,807	6,217,230	17,235,941
International common stock	3,241,843	403,896	3,645,739	-
Exchange traded and closed end funds	11,088	1,277	12,365	378,321
Fixed income securities:				
Asset and mortgage backed securities	11,270,339	1,060,136	12,330,475	11,111,977
International bonds	346,350	36,661	383,011	448,532
Government bonds	1,443,865	114,166	1,558,031	1,737,501
Municipal bonds	163,642	-	163,642	-
Corporate bonds	<u>22,379,598</u>	<u>2,509,242</u>	<u>24,888,840</u>	<u>21,590,927</u>
	\$ <u>52,003,958</u>	\$ <u>6,226,927</u>	\$ <u>58,230,885</u>	\$ <u>60,792,719</u>

GASB Statement No. 40 requires entities to provide information about the credit risk associated with their investments by disclosing the credit quality ratings. The following is a listing of MPLT's fixed income securities at September 30, 2011 and 2010:

Investment Type	Fair Value	2011 Investment Maturities (In Years)				Credit Rating
		Less Than 1	1 - 5	6 - 10	More Than 10	
Asset and mortgage backed securities	\$ 12,330,475	\$ -	\$ 1,171,859	\$ 280,367	\$ 10,878,249	No rating
Government bonds	1,558,031	-	-	-	1,558,031	NR
Municipal bonds	163,642	-	-	-	163,642	A+
International bonds	112,618	-	-	112,618	-	A+
International bonds	11,120	-	11,120	-	-	BB
International bonds	97,600	-	97,600	-	-	BBB+
International bonds	63,973	-	63,973	-	-	BBB-
International bonds	55,700	-	55,700	-	-	BB
International bonds	42,000	-	42,000	-	-	B+
Corporate bonds	52,229	-	-	52,229	-	AAA
Corporate bonds	437,740	-	194,236	230,243	13,261	AA
Corporate bonds	739,644	-	522,711	211,225	5,708	AA+
Corporate bonds	539,250	-	73,091	117,063	349,096	AA-
Corporate bonds	6,710,585	20,029	2,429,226	3,522,446	738,884	A
Corporate bonds	2,408,507	-	1,217,660	633,184	557,663	A+
Corporate bonds	3,413,270	155,772	1,081,617	1,541,479	634,402	A-
Corporate bonds	1,223,902	-	610,067	390,397	223,438	BBB
Corporate bonds	1,572,705	-	1,036,330	296,936	239,439	BBB+
Corporate bonds	902,404	-	470,947	332,760	98,697	BBB-
Corporate bonds	875,354	-	296,186	447,108	132,060	BB
Corporate bonds	1,172,735	-	483,650	438,635	250,450	BB+
Corporate bonds	1,659,572	-	605,986	976,879	76,707	BB-
Corporate bonds	935,752	-	317,793	462,209	155,750	B
Corporate bonds	712,422	-	219,169	228,068	265,185	B+
Corporate bonds	279,008	-	152,008	127,000	-	B-
Corporate bonds	140,030	-	-	140,030	-	CCC
Corporate bonds	185,652	-	129,532	56,120	-	CCC+
Corporate bonds	61,513	-	61,513	-	-	CAA1
Corporate bonds	808,591	251,100	156,470	47,430	353,591	No rating
Corporate bonds	57,975	-	57,975	-	-	NR
	\$ <u>39,323,999</u>	\$ <u>426,901</u>	\$ <u>11,558,419</u>	\$ <u>10,644,426</u>	\$ <u>16,694,253</u>	

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

Investment Type	Fair Value	2010				Credit Rating
		Investment Maturities (In Years)				
		Less Than 1	1 - 5	6 - 10	More Than 10	
Mortgage and asset backed securities	\$ 2,945,731	\$ 12,682	\$ 1,109,518	\$ -	\$ 1,823,531	AAA
Mortgage and asset backed securities	8,166,246	-	356,248	677,371	7,132,627	No rating
Government and Government Sponsored Entity (GSE) Bonds	1,737,501	-	-	-	1,737,501	AAA
International bonds	280,767	-	280,767	-	-	A
International bonds	124,452	-	124,452	-	-	BB-
International bonds	43,313	-	-	43,313	-	B
Corporate bonds	210,111	-	-	210,111	-	AAA
Corporate bonds	909,699	-	551,368	358,331	-	AA
Corporate bonds	686,570	60,118	414,921	211,531	-	AA+
Corporate bonds	299,537	-	-	118,028	181,509	AA-
Corporate bonds	7,560,023	-	2,814,854	3,676,963	1,068,206	A
Corporate bonds	2,089,918	-	1,476,300	261,126	352,492	A+
Corporate bonds	3,404,580	-	1,837,058	1,211,681	355,841	A-
Corporate bonds	595,725	-	356,152	186,004	53,569	BBB
Corporate bonds	1,346,385	-	862,922	149,573	333,890	BBB+
Corporate bonds	579,621	-	196,852	334,035	48,734	BBB-
Corporate bonds	591,409	-	164,911	379,354	47,144	BB
Corporate bonds	559,325	-	220,119	339,206	-	BB+
Corporate bonds	1,086,077	-	252,486	833,591	-	BB-
Corporate bonds	502,786	-	237,236	175,460	90,090	B
Corporate bonds	512,664	-	211,777	254,393	46,494	B+
Corporate bonds	392,631	-	282,724	109,907	-	B-
Corporate bonds	178,050	-	-	178,050	-	CCC
Corporate bonds	85,816	-	85,816	-	-	CCC+
	<u>\$ 34,888,937</u>	<u>\$ 72,800</u>	<u>\$ 11,836,481</u>	<u>\$ 9,708,028</u>	<u>\$ 13,271,628</u>	

Notes Receivable and Allowance for Loan Losses

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

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.

Capital Assets

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

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### 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. MPLT is required to contribute to each member's individual account an amount equal to 4% of the member's compensation. The DC Plan by its nature is fully funded on a current basis from employer and member contributions.

The contribution requirements of plan members and MPLT are established and may be amended by the Fund's Board of Trustees. MPLT's total personnel expense for fiscal years 2011, 2010 and 2009 were \$59,376, \$86,108 and \$91,410, respectively.

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 Statement No. 45 by recording OPEB expense based on the statutory determined contribution rate of the Fund. It is the understanding of the management of MPLT that the statutory determined contribution rate of the Fund incorporates both the pension liability and OPEB liability. GASB Statement No. 45 also requires detailed disclosure of information related to the OPEB plan and MPLT management was unable to obtain this information from the Fund 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.

### Net Assets

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, has required MPLT to establish net asset categories as follows:

- Invested in capital assets: capital assets, net of accumulated depreciation.
- Restricted: net assets subject to externally imposed stipulations that can be fulfilled by actions pursuant to those stipulations or that expire by the passage of time. MPLT has net assets restricted for principal and income.
- Unrestricted: net assets that are not subject to externally imposed stipulations. As MPLT considers all assets except investments in capital assets, to be restricted, MPLT does not have unrestricted net assets at September 30, 2011 and 2010.

### Operating and Non-Operating Revenue and Expenses

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

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

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

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

### New Accounting Standards

During fiscal year 2011, MPLT implemented the following pronouncements:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.
- GASB Statement No. 59, *Financial Instruments Omnibus*, which updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools.

The implementation of these pronouncements did not have a material effect on the accompanying financial statements.

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, which amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

In December 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

In December 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued in 1991 and 1999, respectively. The provisions of this statement are effective for periods beginning after June 15, 2012. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards, Continued

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

In July 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The provisions of this statement are effective for periods beginning after December 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

In July 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), which will improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The provisions of this statement are effective for periods beginning after June 15, 2011. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

Reclassification

Certain 2010 balances in the accompanying financial statements have been reclassified to conform to the 2011 presentation.

(3) Notes Receivable

	<u>2011</u>	<u>2010</u>
Notes receivable (Home Loan Program) from various individuals obtained through a settlement agreement with the Northern Marianas Housing Corporation (NMHC) dated December 31, 2007, interest at 2% (5.5% to 8.5% prior to January 1, 2009) and terms from ten to thirty years.	\$ 8,658,943	\$ 8,634,619
Note receivable from Adelantun Publickun Luta Enteramente, Incorporated (APLE 501, Inc.), interest at 5% per annum, due on October 18, 2017, with monthly principal and interest payments in the amount of \$1,225, collateralized by a loan portfolio. Proceeds were used to fund an independently administered individual or parent-student loan program. MPLT has ceased future loan commitments and disbursements to APLE 501, Inc.	129,316	143,156

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(3) Notes Receivable, Continued

	<u>2011</u>	<u>2010</u>
Note receivable from the Commonwealth Utilities Corporation (CUC), interest at 7%, due in full on August 4, 2011. Public Law 16-7 (as amended by Public Law 17-7) earmarks future interest income distributions of fiscal years 2009, 2010, 2012 and additional future fiscal years until the note is fully reimbursed. Interest is due in equal monthly installments.	-	245,346
Note receivable from the Commonwealth Development Authority (CDA), interest at 6.5% per annum, due on June 1, 2018, collateralized by future distributable net income for the maintenance and development of the American Memorial Park and is to be repaid from earnings of the investments pursuant to CNMI Public Law 11-72.	1,120,943	1,252,843
Note receivable from the CNMI Government, interest at 7%. Public Law 17-7 earmarks and appropriates from future interest income distributions of fiscal years 2009, 2010, 2012 and additional future fiscal years until the note is fully reimbursed. Interest is due annually.	<u>4,000,000</u>	<u>4,000,000</u>
	13,909,202	14,275,964
Less allowance for loan losses	<u>(4,959,316)</u>	<u>(4,315,156)</u>
	8,949,886	9,960,808
Less current portion	<u>(412,938)</u>	<u>(604,538)</u>
Long-term portion	<u>\$ 8,536,948</u>	<u>\$ 9,356,270</u>
At September 30, 2011, principal and interest repayments based on the terms of the respective agreements for the following years ending September 30, are as follows:		

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 412,938	\$ 185,764
2013	418,512	171,298
2014	424,198	156,720
2015	429,999	142,027
2016	435,917	127,217
2017 - 2021	2,025,564	421,369
2022 - 2026	1,755,551	211,881
2027 - 2031	<u>1,211,795</u>	<u>43,474</u>
	<u>\$ 7,114,474</u>	<u>\$ 1,459,750</u>



MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(3) Notes Receivable, Continued

The schedule above does not include principal and interest repayments for APLE 501, Inc. and \$2,665,412 of notes receivable (Home Loan Program) referred to an attorney for collection as repayments are uncertain. The repayment of the note receivable from the CNMI Government is based on the amount available for distribution at the end of the fiscal year which varies; therefore, it is not possible to determine the current portion. Accordingly, the principal and interest repayments are not included in the above schedule.

(4) Capital Assets

A summary of capital assets as of September 30, 2011 and 2010, is as follows:

	Estimated Useful Lives	Balance at October 1, 2010	Additions	Deletions	Impairment	Balance at September 30, 2011
Land	-	\$ 273,000	\$ -	\$ -	\$ (141,000)	\$ 132,000
Leasehold improvements	10 years	33,790	1,483	-	-	35,273
Furniture, fixtures and equipment	3 - 10 years	85,051	17,876	(9,661)	-	93,266
Vehicle	3 - 10 years	46,225	-	-	-	46,225
		438,066	19,359	(9,661)	(141,000)	306,764
Less accumulated depreciation		(83,708)	(21,743)	8,431	-	(97,020)
		\$ 354,358	\$ (2,384)	\$ (1,230)	\$ (141,000)	\$ 209,744
	Estimated Useful Lives	Balance at October 1, 2009	Additions	Deletions	Impairment	Balance at September 30, 2010
Land	-	\$ 273,000	\$ -	\$ -	\$ -	\$ 273,000
Leasehold improvements	10 years	-	33,790	-	-	33,790
Furniture, fixtures and equipment	3 - 10 years	80,748	5,805	(1,502)	-	85,051
Vehicle	3 - 10 years	46,225	-	-	-	46,225
		399,973	39,595	(1,502)	-	438,066
Less accumulated depreciation		(66,042)	(19,168)	1,502	-	(83,708)
		\$ 333,931	\$ 20,427	\$ -	\$ -	\$ 354,358

MPLT recognized an impairment loss of \$141,000, to reduce the carrying amount of land to fair value in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, during the year ended September 30, 2011, as potential construction on the land is currently not being considered.

(5) Net Assets

In accordance with MPLT's accounting policies, gains and losses on investments are allocated to principal. Additionally, a portion of transfers in from the CNMI government is specifically designated as an increase in principal. Movement in principal and interest accounts for the years ended September 30, 2011 and 2010, is summarized as follows:

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(5) Net Assets, Continued

	<u>Principal</u>	<u>Income</u>	<u>2011</u>	<u>2010</u>
<u>General Fund</u>				
Balance at beginning of year	\$ 64,289,024	\$ -	\$ 64,289,024	\$ 61,675,602
Net (decrease) increase in the fair value of investments	(2,561,246)	-	(2,561,246)	2,633,849
Other operating net (loss) income	(641,837)	2,248,926	1,607,089	1,605,569
Transfers	-	<u>(2,248,926)</u>	<u>(2,248,926)</u>	<u>(1,625,996)</u>
Balance at end of year	\$ <u>61,085,941</u>	\$ <u>-</u>	\$ <u>61,085,941</u>	\$ <u>64,289,024</u>
<u>Park Fund</u>				
Balance at beginning of year	\$ 7,768,884	\$ 253,261	\$ 8,022,145	\$ 7,714,721
Net (decrease) increase in the fair value of investments	(345,078)	-	(345,078)	272,698
Other operating net income	-	281,929	281,929	241,215
Transfers	-	<u>(208,955)</u>	<u>(208,955)</u>	<u>(206,489)</u>
Balance at end of year	\$ <u>7,423,806</u>	\$ <u>326,235</u>	\$ <u>7,750,041</u>	\$ <u>8,022,145</u>

(6) Contributions To/From Primary Government

In accordance with Article XI of the Constitution of the CNMI, MPLT makes operating transfers out to the CNMI general fund from investment income. During the years ended September 30, 2011 and 2010, MPLT recorded \$2,248,926 and \$1,625,996, respectively, of transfers out to the CNMI general fund, of which \$-0- and \$1,554,654, respectively, was offset against a note receivable from CUC and \$280,767 and \$71,342, respectively, was offset against interest income receivable from the CNMI general fund. At September 30, 2011 and 2010, \$1,968,159 and \$-0-, respectively, was due to the CNMI Government related to these transfers.

In accordance with Article VIII, Section 803(e) of the Covenant, MPLT makes operating transfers out for the development and maintenance of the American Memorial Park. During the years ended September 30, 2011 and 2010, MPLT recorded \$208,955 and \$206,489, respectively, for transfers out for this purpose.

(7) Risk Management

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

(8) Related Parties

One trustee of MPLT has a home loan outstanding of \$64,800 as of September 30, 2011. Two trustees of MPLT had home loans outstanding of \$114,998 and \$66,281 as of September 30, 2010. The home loans were obtained in the ordinary course of business and are classified as notes receivable in the accompanying financial statements.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2011 and 2010

(9) Commitment

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

(10) Contingency

In accordance with the Settlement Agreement with NMHC, MPLT will assume liability for the repayment of \$1,672,102 in Service Released Loans that were guaranteed to certain financial institutions. At September 30, 2011, total contingent liabilities amounted to \$1,015,111.

MARIANAS PUBLIC LAND TRUST

Combining Statement of Net Assets  
September 30, 2011

<u>ASSETS</u>	General Fund	Park Fund	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$ 2,820,014	\$ 359,743	\$ -	\$ 3,179,757
Receivables:				
Notes, current portion	276,138	136,800	-	412,938
Accrued income	383,970	43,010	-	426,980
Other	9,051	-	-	9,051
Due from other funds	5,567	-	(5,567)	-
Due from brokers	70,865	15,054	-	85,919
Prepaid expense	15,223	-	-	15,223
Total current assets	<u>3,580,828</u>	<u>554,607</u>	<u>(5,567)</u>	<u>4,129,868</u>
Other assets:				
Investments	52,003,958	6,226,927	-	58,230,885
Total other assets	<u>52,003,958</u>	<u>6,226,927</u>	<u>-</u>	<u>58,230,885</u>
Noncurrent assets:				
Notes receivable, net of current portion and allowance for loan losses	7,552,805	984,143	-	8,536,948
Capital assets (net of accumulated depreciation)	209,744	-	-	209,744
Total noncurrent assets	<u>7,762,549</u>	<u>984,143</u>	<u>-</u>	<u>8,746,692</u>
	<u>\$ 63,347,335</u>	<u>\$ 7,765,677</u>	<u>\$ (5,567)</u>	<u>\$ 71,107,445</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 36,605	\$ 1,450	\$ -	\$ 38,055
Due to other funds	-	5,567	(5,567)	-
Due to CNMI Government	1,968,159	-	-	1,968,159
Due to brokers	43,718	8,619	-	52,337
Accrued expenses	3,168	-	-	3,168
Total liabilities	<u>2,051,650</u>	<u>15,636</u>	<u>(5,567)</u>	<u>2,061,719</u>
Net assets:				
Invested in capital assets	209,744	-	-	209,744
Restricted	61,085,941	7,750,041	-	68,835,982
Total net assets	<u>61,295,685</u>	<u>7,750,041</u>	<u>-</u>	<u>69,045,726</u>
	<u>\$ 63,347,335</u>	<u>\$ 7,765,677</u>	<u>\$ (5,567)</u>	<u>\$ 71,107,445</u>

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2011

	General Fund	Park Fund	Eliminations	Total
Operating revenues:				
Net decrease in the fair value of investments	\$ (2,561,246)	\$ (345,078)	\$ -	\$ (2,906,324)
Interest income:				
Investments, net	2,264,197	227,246	-	2,491,443
Notes receivable	394,796	77,056	-	471,852
Other	283	1,126	-	1,409
Dividend income	283,700	45,110	-	328,810
Total operating revenues	381,730	5,460	-	387,190
Provision for allowance for loan losses of the Home Loan Program	(658,000)	-	-	(658,000)
Recovery of note receivable	12,949	-	-	12,949
Operating revenues, net	(263,321)	5,460	-	(257,861)
Operating expenses:				
Money manager fees	152,830	22,059	-	174,889
Impairment loss	141,000	-	-	141,000
Consultancy fees	108,617	13,286	-	121,903
Professional fees	89,970	-	-	89,970
Money management administration	74,921	9,260	-	84,181
Contract services	57,850	7,150	-	65,000
Salaries and benefits	52,860	6,515	-	59,375
Loan administration fee	51,968	-	-	51,968
Office supplies	43,992	5,370	-	49,362
Depreciation	21,743	-	-	21,743
Trustees' expenses	16,315	2,030	-	18,345
Audit	12,460	1,540	-	14,000
Rent and utilities	10,924	1,399	-	12,323
Total operating expenses	835,450	68,609	-	904,059
Operating loss	(1,098,771)	(63,149)	-	(1,161,920)
Other nonoperating expenses:				
Net contribution to the CNMI General Fund/American Memorial Park	(2,248,926)	(208,955)	-	(2,457,881)
Total nonoperating expenses	(2,248,926)	(208,955)	-	(2,457,881)
Change in net assets	(3,347,697)	(272,104)	-	(3,619,801)
Net assets at beginning of year	64,643,382	8,022,145	-	72,665,527
Net assets at end of year	<u>\$ 61,295,685</u>	<u>\$ 7,750,041</u>	<u>\$ -</u>	<u>\$ 69,045,726</u>

See Accompanying Independent Auditors' Report.

# MARIANAS PUBLIC LAND TRUST

## Combining Statement of Cash Flows Year Ended September 30, 2011

	General Fund	Park Fund	Eliminations	Total
<b>Cash flows from operating activities:</b>				
Cash received from operations	\$ 2,637,998	\$ 261,149	\$ -	\$ 2,899,147
Cash payments to suppliers for goods and services	(702,853)	(99,385)	-	(802,238)
Net cash provided by operating activities	1,935,145	161,764	-	2,096,909
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of property and equipment	(19,359)	-	-	(19,359)
Net cash used for capital and related financing activities	(19,359)	-	-	(19,359)
<b>Cash flows from investing activities:</b>				
Net decrease in notes receivable	233,971	-	-	233,971
Net (increase) decrease in restricted assets	(356,076)	11,586	-	(344,490)
Net cash (used for) provided by investing activities	(122,105)	11,586	-	(110,519)
Net increase in cash and cash equivalents	1,793,681	173,350	-	1,967,031
Cash and cash equivalents at beginning of year	1,026,333	186,393	-	1,212,726
Cash and cash equivalents at end of year	\$ 2,820,014	\$ 359,743	\$ -	\$ 3,179,757
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>				
Operating loss	\$ (1,098,771)	\$ (63,149)	\$ -	\$ (1,161,920)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Net decrease in fair value of investments	2,561,246	345,078	-	2,906,324
Noncash interest income	(280,768)	(77,055)	-	(357,823)
Depreciation	21,743	-	-	21,743
Loss on disposal of fixed assets	1,230	-	-	1,230
Impairment loss	141,000	-	-	141,000
Bad debts	645,051	-	-	645,051
(Increase) decrease in assets:				
Receivable - accrued income	(21,426)	(5,370)	-	(26,796)
Other receivable	(289)	-	-	(289)
Due from other funds	29,863	-	(29,863)	-
Due from brokers	(32,359)	(6,963)	-	(39,322)
Prepaid expense	(10,590)	-	-	(10,590)
Increase (decrease) in liabilities:				
Accounts payable	5,138	54	-	5,192
Due to other funds	-	(29,863)	29,863	-
Due to CNMI Government	(17,740)	-	-	(17,740)
Due to brokers	(5,745)	(968)	-	(6,713)
Accrued expenses	(2,438)	-	-	(2,438)
Net cash provided by operating activities	\$ 1,935,145	\$ 161,764	\$ -	\$ 2,096,909
<b>Supplemental schedule of noncash operating, financing and investing activities:</b>				
MPLT applied \$280,767 of the required income distribution to the CNMI General Fund for the year ended September 30, 2011 as an interest payment against the CNMI's note receivable.				
Increase in interest income	\$ (280,767)	\$ -	\$ -	\$ (280,767)
Increase in net contribution	280,767	-	-	280,767
	\$ -	\$ -	\$ -	\$ -
MPLT applied \$208,956 of the required income distribution of the American Memorial Park Fund for the year ended September 30, 2011 as a repayment of CDA's note receivable and related interest.				
Decrease in notes receivable	\$ -	\$ (131,900)	\$ -	\$ (131,900)
Increase in interest income	-	(77,055)	-	(77,055)
Increase in net contribution	-	208,955	-	208,955
	\$ -	\$ -	\$ -	\$ -

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Mutual Funds	Cost	Fair Value
Templeton Global Bond Fund Advisor Class - Smith Barney	\$ 7,739,100	\$ 7,265,272
<b>Total Mutual Funds</b>	<u>7,739,100</u>	<u>7,265,272</u>
<b>Equities</b>		
<b>Domestic Preferred Stock</b>		
Affiliated Managers Group	171,881	142,846
Bank of America Corp	213,079	167,535
Citigroup	69,090	39,019
Crown Castle Int	124,873	117,468
General Motors Company	69,326	44,060
Goodyear Tire & Rubber Co	102,759	66,262
Hartford Finl Svcs Group Inc	59,213	43,046
PPL Corp	119,454	118,665
Stanley Black & Decker	125,044	111,223
Wells Fargo & Co	55,495	56,760
<b>Total Domestic Preferred Stock - MacKay Shields</b>	<u>1,110,214</u>	<u>906,884</u>
<b>International Preferred Stock</b>		
Vale Capital II	72,237	45,654
<b>Total International Preferred Stock - MacKay Shields</b>	<u>72,237</u>	<u>45,654</u>
<b>Domestic Common Stock</b>		
Allergan Inc	113,346	115,332
Amazon Com Inc	225,045	281,099
American Express Co	129,532	116,740
American Tower Corp	75,818	86,080
Apache Corp	51,467	32,096
Apple Inc	75,917	291,710
Boeing Co	67,612	54,459
Capital One Finl Corp	98,894	83,223
Citigroup Inc	80,234	42,777
Coach Inc	26,103	25,915
CVS Caremark Corp	150,514	137,719
DirecTV	155,080	181,761
E I Du Pont De Nemours & Co	55,418	51,961
EMC Corp-Mass	72,627	54,574
Express Scripts Inc	128,647	111,210
Exxon Mobil Corp	205,744	174,312
Google Inc	269,164	263,700
Halliburton Co Holdings Co	147,009	94,612
Intel Corp	57,103	53,338
Intl Business Machines Corp	203,831	308,296
Johnson & Johnson	165,948	159,225
JPMorgan Chase & Co	175,062	120,480
Kraft Foods Inc	57,883	57,086
Mastercard Inc	116,433	105,931
McDonalds Corp	95,669	105,384
Metlife Inc	191,220	126,045
Microsoft Corp	196,362	181,697
News Corp	157,546	148,608
Oracle Corp	125,425	155,196
Pfizer Inc	97,449	86,632
Philip Morris Intl Inc	55,783	49,904
Precision Castparts Corp	78,339	108,822
Proctor & Gamble Co	66,934	63,180
Qualcomm Inc	95,773	87,534
Union Pacific Corp	80,982	114,338
United Parcel Service	61,713	56,835
United Technologies Corp	157,458	182,936

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Equities, Continued	Cost	Fair Value
<b>Domestic Common Stock, Continued</b>		
UnitedHealth Group Inc	129,394	119,912
Viacom Inc	96,540	73,606
Walt Disney Co	91,165	75,400
Wellpoint Inc	131,096	124,032
<b>Subtotal - Atalanta/Sosnoff</b>	<b>4,813,279</b>	<b>4,863,697</b>
Las Vegas Sands Corp	42,864	52,104
Mcdermott International Inc.	17,012	13,622
<b>Subtotal - Newgate</b>	<b>59,876</b>	<b>65,726</b>
<b>Total Domestic Common Stock</b>	<b>4,873,155</b>	<b>4,929,423</b>
<b>International Common Stock</b>		
Baidu Inc Spon Adr Rptng	70,909	53,455
Enesco Plc Adr	27,398	24,258
Schlumberger Ltd	170,250	149,325
<b>Subtotal - Atalanta/Sosnoff</b>	<b>268,557</b>	<b>227,038</b>
AKBank Turk Anonim Sirketi	31,759	27,058
America Movil S.A.B De CV	51,402	52,065
Banco DO Brasil SA	68,255	52,113
Banco Macro S.A Spons Adr	41,843	29,175
Bank Mandiri TBK	16,876	16,138
Bidvest Group Ltd	52,612	42,327
China Constr Bk Corp-Cny	35,392	25,668
Cielo SA	58,051	60,650
Clicks Group Limited	44,835	32,207
Commercial Intl Bk	47,376	33,918
Companhia De Bebidas Das Amers	42,870	44,259
Companhia Energetica De Minas	56,281	56,095
Companhia Siderurgica Nacional	58,721	32,101
Desarrolladora Homex S.A. De C.V.	35,111	13,905
Gazprom Oao	39,329	32,795
Grupo Televisa SA De CV	31,748	32,311
Infosys Ltd	31,632	32,736
KB Financial Group Inc	39,349	33,677
Kimberly Clarke De Mex SA	30,775	38,754
KOC Holding AS	31,816	36,459
Kumba Iron Ore	7,216	11,410
Lukoil Oil	38,654	34,581
Massmart Holdings Ltd	10,706	15,292
Mobile Telesystems OJSC	62,241	38,167
Nedbank Group Ltd	35,916	38,374
Netease.com Inc	27,558	25,300
Orascom Constr Inds S A E	52,932	38,738
Oriflame Cosmetics	65,404	44,050
Philippine Long Distance Tel Co	63,503	57,702
Pretoria Portland	31,387	19,888
PT Perusahaan Gas Negara Perse-IDR	41,555	25,978
PT Telekomunikasi Indonesia	63,598	59,096
PTT Exploration and Production-THB	26,773	20,392
Sanlam Ltd	21,872	26,365
Sberbank	47,847	30,607
Semen Gresik	38,043	34,755
Shinhan Financial Grp Co Ltd	52,009	45,376
Shoprite Holdings	29,072	43,090
Standard Bank Group	32,764	29,500
Taiwan Semiconductor Mfg Co Ltd	37,894	41,605
Tiger Brands Ltd	34,782	41,403

See Accompanying Independent Auditors' Report.



MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Equities, Continued	Cost	Fair Value
<b>International Common Stock, Continued</b>		
Turkcell Iletism Hizmet Adr	65,174	45,752
United Tractors	17,161	24,832
Vale SA	67,583	58,464
Weichai Power Co	46,630	37,110
YPF SA	46,210	36,160
<b>Subtotal - Lazard</b>	<b>1,910,517</b>	<b>1,648,398</b>
Adr Sakari Resources Limited	23,641	15,504
America Movil S.A.B De CV	43,372	38,243
Anhui Conch Cement H	35,764	22,903
Antofagasta P L C- Adr	25,840	17,423
Baidu Inc Spon Adr Rptng	39,042	33,249
Banco Bradesco Spons Adr	40,594	30,527
China Constr BK Corp	90,546	59,679
China Shenhua Energy Co	24,819	21,868
CNOOC Ltd Spons Adr	47,317	46,006
Cosan Ltd	37,646	27,378
Credicorp Ltd	21,446	18,809
CTRIIP.com International Ltd	61,540	46,593
Gafisa S A Spon Adr	70,668	28,867
Gazprom OAO Spons Adr	42,345	34,819
Gerdau SA Spons Adr	43,044	22,852
HDFC Bank Ltd	41,822	37,982
Icici Bank Ltd	12,141	8,194
Industrial & Coml BK	33,580	22,080
Infosys Ltd	58,070	50,713
Itau Unibanco Banco Hldg S	108,244	78,329
Jiangxi Copper Co Ltd	42,071	23,960
K B Financial Group Inc	65,842	46,355
Lukoil Oil Spons Adr	48,796	41,106
Mechel OAO Spons Adr	37,779	16,233
Mobile Telesystems OJSC	73,850	46,346
MTN Group Ltd	17,641	15,482
Naspers Ltd Spon Adr	33,172	32,890
Pacific Rubiales Energy Corp	30,515	26,884
Petroleo Brasileiro SA Adr	55,875	30,521
Petroleo Brasileiro SA Petrobras	54,070	29,140
Posco Spon Adr	57,601	38,233
Sberbank Sponsored Adr	26,565	18,980
Shinhan Financial Grp Co Ltd	62,931	54,478
Silver Standard Resources Inc.	34,536	23,048
Taiwan Semiconductor Mfg Co Ltd	37,386	40,256
Tencent Hldgs Ltd	38,265	31,882
Turkiye Garanti Bankasi A S Sponsored Adr	26,786	20,054
United Tractors Unspn Adr	28,600	27,486
Vale S A Spon Adr	105,027	89,649
Woori Fin Hldgs Co Ltd	22,033	14,038
Yanzhou Coal Mining Co Ltd	43,205	37,368
<b>Subtotal - Newgate</b>	<b>1,844,027</b>	<b>1,366,407</b>
<b>Total International Common Stock</b>	<b>4,023,101</b>	<b>3,241,843</b>
<b>Closed End Funds</b>		
Global X Brazil Consumer - Newgate	13,446	11,088
<b>Total Closed End Funds</b>	<b>13,446</b>	<b>11,088</b>
<b>Total Equities</b>	<b>10,092,153</b>	<b>9,134,892</b>

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Fixed Income Securities	Cost	Fair Value	Ratings
<b>Asset and Mortgage Backed Securities</b>			
CS First Boston Mortg SEC Corp @ 6.133%, due 03/15/12	299,842	295,093	No rating
FHLMC PL#A39210 @ 5.500%, due 10/01/35	457,622	491,945	No rating
FHLMC PL#A47758 @ 5.000%, due 11/01/35	354,881	392,764	No rating
FHLMC PL#A87388 @ 5.000%, due 07/01/39	318,863	336,126	No rating
FHLMC PL#A93614 @ 4.500%, due 08/01/40	482,605	487,883	No rating
FHLMC PL#A93763 @ 4.500%, due 09/01/40	657,831	664,876	No rating
FHLMC PL#A96380 @ 4.000%, due 01/01/41	389,483	418,749	No rating
FHLMC PL#A97673 @ 4.500%, due 03/01/41	275,899	284,884	No rating
FHLMC PL#G06501 @ 4.000%, due 04/01/41	610,317	636,043	No rating
FHLMC PL#G11736 @ 5.000%, due 04/01/20	38,025	41,008	No rating
FHLMC PL#G12213 @ 5.500%, due 03/01/21	84,808	93,717	No rating
FHLMC PL#G12580 @ 5.000%, due 09/01/21	92,309	98,864	No rating
FHLMC PL#G13174 @ 5.000%, due 06/01/23	212,108	221,973	No rating
FNMA PL#603265 @ 5.500%, due 09/01/16	7,744	8,363	No rating
FNMA PL#739168 @ 5.500%, due 09/01/18	11,961	12,603	No rating
FNMA PL#743002 @ 5.500%, due 10/01/18	9,406	9,918	No rating
FNMA PL#745506 @ 5.662%, due 02/01/16	424,840	482,191	No rating
FNMA PL#889970 @ 5.000%, due 12/01/36	186,858	193,984	No rating
FNMA PL#904529 @ 6.500%, due 01/01/37	278,839	301,615	No rating
FNMA PL#922270 @ 5.500%, due 12/01/36	458,261	501,128	No rating
FNMA PL#942285 @ 6.000%, due 08/01/37	140,878	153,550	No rating
FNMA PL#966123 @ 6.000%, due 10/01/37	501,186	540,477	No rating
FNMA PL#AA9592 @ 6.000%, due 01/01/39	328,541	345,361	No rating
FNMA PL#AC5849 @ 5.000%, due 05/01/40	240,498	249,228	No rating
FNMA PL#AC9290 @ 5.000%, due 04/01/41	450,254	460,992	No rating
FNMA PL#AI2463 @ 4.500%, due 05/01/41	358,795	365,206	No rating
FNMA PL#AL0249 @ 5.500%, due 08/01/37	456,187	457,624	No rating
FNMA PL#MA0640 @ 4.500%, due 02/01/41	554,488	580,921	No rating
Freddie Mac Reference Remic @ 5.125%, due 12/15/13	112,016	109,408	No rating
Greenwich Cap Coml Fdg Corp @ 4.305%, due 08/10/42	136,802	139,465	No rating
Greenwich Cap Commercial Fund @ 4.533%, due 01/05/36	260,091	256,158	No rating
JP Morgan Chase Coml Mtg Secs @ 4.625%, due 03/15/46	73,674	75,338	No rating
LB-UBS Coml Mtg Tr @ 5.156%, due 02/15/31	232,973	232,443	No rating
LB-UBS Commercial Mortgage Tr @ 5.124%, due 11/15/32	153,801	163,557	No rating
LBUBS Commercial Mtg Trust @ 4.830%, due 11/15/27	134,442	135,114	No rating
L-UBS Commercial Mtg Trust @ 5.594%, due 06/15/31	178,719	177,597	No rating
Morgan Stanley Capital I @ 4.970%, due 12/15/41	323,824	315,564	No rating
Wachovia Bank Comm Mort Trust @ 4.748%, due 02/15/41	354,270	390,323	No rating
Wachovia Bk Coml Mtg Tr @ 4.980%, due 10/15/12	137,700	148,286	No rating
<b>Total Asset and Mortgage Backed Securities - Richmond</b>	<b>10,781,641</b>	<b>11,270,339</b>	
<b>Government Bonds</b>			
U.S. Treasury Bonds @ 4.750%, due 02/15/37	1,173,145	1,443,865	NR
<b>Total Government Bonds - Richmond</b>	<b>1,173,145</b>	<b>1,443,865</b>	
<b>Municipal Bonds</b>			
New Jersey St Tpk Auth @ 7.102%, due 01/01/41	122,939	163,642	A+
<b>Total Municipal Bonds - Richmond</b>	<b>122,939</b>	<b>163,642</b>	
<b>International Bonds</b>			
Arcelormittal @ 5.00%, due 05/15/14	77,976	56,632	BBB-
Ingersoll-Rand Co Ltd @ 4.50%, due 04/15/12	144,518	86,400	BBB+
<b>Total International Bonds - MacKay Shields</b>	<b>222,494</b>	<b>143,032</b>	
BP Capital Markets @ 4.500%, due 10/01/20	109,290	112,618	A
<b>Total International Bonds - Richmond</b>	<b>109,290</b>	<b>112,618</b>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>International Bonds, Continued</b>			
Royal Caribbean Cruises @ 6.875%, due 12/01/13	33,950	35,700	BB
Videotron Ltee @ 6.875%, due 01/15/14	20,227	20,000	BB
Quebecor Media Inc. @ 7.750%, due 03/15/16	34,909	35,000	B+
<b>Total International Bonds - Seix</b>	<b>89,086</b>	<b>90,700</b>	
<b>Total International Bonds</b>	<b>420,870</b>	<b>346,350</b>	
<b>Corporate Bonds</b>			
Abbott Laboratories @ 5.875%, due 05/15/16	155,552	182,464	AA
Ace Ina Holdings @ 8.875%, due 08/15/29	151,149	161,082	A
Aflac Inc @ 8.500%, due 05/15/19	114,299	133,898	A-
Allstate Corp @ 7.450%, due 05/16/19	130,575	128,353	A-
Altri Group Inc @ 9.250%, due 08/06/19	188,510	196,620	BBB
American Express @ 4.875%, due 07/15/13	141,134	152,283	BBB+
American Express @ 7.300%, due 08/20/13	140,035	153,247	BBB+
Ameritech Cap Fdg Co @ 6.550%, due 01/15/28	119,469	131,078	A-
Anheuser Busch Cos I @ 6.750%, due 12/15/27	103,291	128,130	A-
Archer Daniels Midland Co @ 7.500%, due 03/15/27	82,304	84,881	A
Archer Daniels Midland Co @ 8.375%, due 04/15/17	249,944	268,191	A
Bank New York Co Inc @ 4.950%, due 03/15/15	149,116	166,406	A+
Bank of America Corp @ 4.875%, due 09/15/12	391,204	400,188	A
BB&T Corp @ 4.750%, due 10/01/12	100,388	108,210	A-
BB&T Corp @ 5.200%, due 12/23/15	142,415	161,138	A-
Bear Stearns Co Inc @ 5.700%, due 11/15/14	207,912	215,684	A+
Becton Dickinson & Co @ 7.000%, due 08/01/27	138,633	174,105	AA-
Berkshire Hathaway Inc @ 5.400%, due 05/15/18	173,369	188,390	AA+
Bestfoods Inc @ 6.625%, due 04/15/28	101,987	132,242	A+
Blackrock Inc. @ 5.000%, due 12/10/19	36,786	38,371	A+
Boeing Co @ 7.250%, due 06/15/25	55,175	67,843	A
Burlington Northern SA @ 5.900%, due 07/01/12	231,107	232,682	BBB+
Burlington Northern Santa Fe @ 6.150%, due 05/01/37	47,854	61,235	BBB+
Campbell Soup Co @ 8.875%, due 05/01/21	84,801	101,604	A
Caterpillar Inc @ 7.900%, due 12/15/18	256,813	281,480	A
Charles Schwab Corp @ 4.950%, due 06/01/14	456,075	469,908	A
Chubb Corp. @ 5.750%, due 05/15/18	193,717	223,507	A+
CitiGroup Inc @ 5.500%, due 04/11/13	57,340	61,874	A
CitiGroup Inc @ 6.125%, due 11/21/17	103,092	122,886	A
Conoco Inc. @ 6.950%, due 04/15/29	103,250	126,474	A
Conocophillips Bds @ 5.750%, due 02/01/19	124,539	131,520	A
Consolidated Nat Gas @ 6.250%, due 11/01/11	110,010	110,432	A-
Cooper US Fin Inc @ 6.100%, due 07/01/17	180,967	213,926	A
CSX Corporation @ 6.300%, due 03/15/12	135,376	138,150	BBB
Du Pont E I De Nemou @ 6.000%, due 07/15/18	263,333	293,335	A
Duke Energy Corp @ 7.000%, due 11/15/18	252,124	281,186	A
Eaton Corp @ 5.600%, due 05/15/18	158,736	190,083	A-
Eog Resouces Inc @ 5.625%, due 06/01/19	230,473	248,581	A-
Equitable Cos Inc. @ 7.000%, due 04/01/28	144,587	153,754	A
Federal Express Corp Debs @ 9.650%, due 06/15/12	61,739	63,497	BBB
Florida Power Corp @ 5.800%, due 09/15/17	100,072	119,047	A
FPL Group Capital Inc. @ 7.875%, due 12/15/15	110,000	131,229	BBB+
General Dynamics Corp @ 4.250%, due 05/15/13	141,458	158,430	A
General Elec Cap Corp @ 5.500%, due 01/08/12	121,255	119,980	AA+
General Electric Capital Corp @ 5.250%, due 10/19/12	359,967	365,869	AA+
Goldman Sachs Group @ 6.000%, due 06/15/20	151,575	149,157	A
Goldman Sachs Group Inc @ 5.150%, due 01/15/14	194,473	212,251	A
Goldman Sachs Group Inc. @ 6.600%, due 01/15/12	65,374	65,934	A
Halliburton Co @ 5.900%, due 09/15/18	60,576	71,342	A
Hersheys Food Corp @ 4.850%, due 08/15/15	230,628	269,107	A
Home Depot Inc Global @ 5.400%, due 03/01/16	98,335	113,148	BBB+

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Honeywell Intl Inc @ 5.400%, due 03/15/16	193,760	232,300	A
Intl Business Machs Corp @ 8.375%, due 11/01/19	33,486	35,277	A+
JP Morgan Chase & Co @ 4.250%, due 10/15/20	106,322	105,249	A+
JP Morgan Chase & Co @ 5.375%, due 01/15/14	196,180	215,798	A+
Key Bank NA @ 4.950%, due 09/15/15	93,610	106,442	BBB+
Keycorp @ 5.100%, due 03/24/21	71,890	70,638	BBB+
Keycorp @ 6.500%, due 05/14/13	26,629	26,667	BBB+
Kraft Foods Inc @ 6.125%, due 08/23/18	122,585	147,355	BBB-
Lincoln National Corp @ 8.750%, due 07/01/19	142,553	142,232	A-
Markel Corp @ 5.350%, due 06/01/21	125,590	127,561	BBB
McDonald's Corp @ 5.300%, due 03/15/17	163,114	190,760	A
Mellon Funding @ 5.000%, due 12/01/14	124,657	139,562	A+
Merrill Lynch & Co Inc @ 5.000%, due 02/03/14	70,230	68,601	A
Metlife Inc. @ 5.000%, due 06/15/15	77,086	87,642	A-
Metlife Inc. @ 7.717%, due 02/15/19	149,177	159,349	A-
Michigan Bell Tel Co @ 7.850%, due 01/15/22	46,360	50,442	A-
Morgan Stanley Group @ 6.625%, due 04/01/18	285,584	267,856	A
News America Holding Inc @ 8.500%, due 02/23/25	114,495	131,321	BBB+
Occidental Petroleum Cor @ 4.125%, due 06/01/16	146,964	166,583	A
Ohio Power Co @ 5.750%, due 09/01/13	209,832	225,450	BBB
Pepsi Bottling Group Inc. @ 7.000%, due 03/01/29	53,435	70,793	A
Pfizer Inc @ 6.200%, due 03/15/19	109,889	137,845	AA
PNC Funding Corp @ 5.625%, due 02/01/17	129,005	141,145	A-
Progressive Corp @ 6.625%, due 03/01/29	165,070	173,697	A+
Prudential Fin @ 6.100%, due 06/15/17	100,545	103,508	A
Prudential Financial Inc @ 3.625%, due 09/17/12	101,245	101,676	A
Suntrust Banks Inc. @ 6.000%, due 02/15/26	51,451	49,390	BBB-
Sysco Corporation @ 6.500%, due 08/01/28	101,733	129,670	A+
Thermo Fisher Scientific Inc @ 3.600%, due 08/15/21	137,412	140,135	A
Time Warner Inc. @ 6.625%, due 05/15/29	90,233	91,834	BBB
Travelers Cos Inc @ 5.750%, due 12/15/17	157,454	184,717	A
Union Pacific Corp @ 7.875%, due 01/15/19	137,124	156,175	BBB+
United Parcel Svc Amer Inc @ 8.375%, due 04/01/20	87,397	105,509	AA-
United Parcel Svc Amer Inc @ 8.375%, due 04/01/30	144,680	149,844	AA-
United Technologies Corp @ 6.125%, due 02/01/19	244,534	269,782	A
US Bank NA @ 4.800%, due 04/15/15	172,699	180,376	A+
Verizon Communications @ 5.500%, due 02/15/18	74,817	86,968	A-
Verizon Communications @ 8.750%, due 11/01/18	146,789	160,695	A-
Virginia Electric PO @ 8.875%, due 11/15/38	117,730	155,430	A-
Wachovia Corp @ 6.605%, due 10/01/25	66,691	69,152	A+
Wachovia Corp. @ 4.875%, due 02/15/14	123,473	135,215	A+
Wal-Mart Stores Inc @ 3.250%, due 10/25/20	65,054	67,335	AA
Walt Disney Company @ 5.875%, due 12/15/17	90,343	108,197	A
Walt Disney Company @ 6.375%, due 03/01/12	90,235	92,055	A
Wisc Elec Power @ 6.250%, due 12/01/15	160,533	187,344	A-
Wisconsin Pwr & Lt Co @ 6.375%, due 08/15/37	99,431	132,190	A-
XTO Energy @ 6.500%, due 12/15/18	47,365	52,229	AAA
<b>Total Corporate Bonds - Richmond</b>	<b>13,469,364</b>	<b>14,784,403</b>	
AES Corp @ 8.000%, due 10/15/17	70,704	70,350	BB-
Alliant Techsystems Inc @ 6.875%, due 09/15/20	78,599	75,000	BB-
Ally Financial Inc @ 8.000%, due 03/15/20	42,853	35,174	B+
American Gen Fin Corp @ 5.400%, due 12/01/15	33,795	33,580	B
Autonation, Inc. @ 6.750%, due 04/15/18	76,729	76,500	BB+
Ball Corp @ 5.750%, due 05/15/21	39,400	38,900	BB+
Ball Corp @ 6.625%, due 03/15/18	35,525	35,175	BB+
Biomet Inc @ 10.000%, due 10/15/17	37,061	36,050	B-
Case Corp @ 7.250%, due 01/15/16	33,600	36,225	BB+
Cco Holdings LLC @ 7.250%, due 10/30/17	77,145	75,000	BB-

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Chesapeake Energy Co @ 7.250%, due 12/15/18	71,810	74,550	BB+
Cimarex Energy Co @ 7.125%, due 05/01/17	33,950	35,350	BB+
Cinemark USA Inc @ 8.625%, due 06/15/19	37,914	36,050	B
CIT Group Funding Company @ 7.000%, due 05/01/15	27,300	29,775	B+
CIT Group Funding Company @ 7.000%, due 05/01/17	70,813	77,600	B+
Community Health Sys @ 8.875%, due 07/15/15	118,843	112,988	B
Constellation Brands Inc. @ 8.375%, due 12/15/14	73,665	76,825	BB+
Corrections Corp of America @ 7.750%, due 06/01/17	73,674	73,937	BB
Crown Castle Intl Corp @ 9.000%, due 01/15/15	31,733	31,800	B-
CSC Holdings Inc @ 7.625%, due 07/15/18	30,496	31,350	BB
Echostar DBS Corp @ 7.125%, due 02/01/16	105,255	106,313	BB-
Edison Mission Energ @ 7.500%, due 06/15/13	24,594	23,250	B-
El Paso Corp @ 7.000%, due 06/15/17	69,650	78,412	BB-
Energy Future / EfiH Finan @ 10.000%, due 12/01/20	79,568	73,125	B-
Energy Transfer Equity LP @ 7.500%, due 10/15/20	111,108	108,915	BB-
First Data Corporation @ 9.875%, due 09/24/15	37,146	33,500	B-
Ford Motor Credit Co @ 7.000%, due 10/01/13	66,425	73,508	BB-
Freescale Semiconduc @ 10.125%, due 12/15/16	33,716	40,700	CCC+
Frontier Communications @ 8.250%, due 05/01/14	35,583	36,094	BB
Genon Energy Inc @ 9.875%, due 10/15/20	40,463	36,465	B
Genworth Financial Inc @ 7.625%, due 09/24/21	40,299	34,473	BBB
Georgia Pac Corp @ 8.000%, due 01/15/24	34,869	41,089	BBB-
GMAC LLC @ 8.000%, due 11/01/31	65,187	61,425	B+
Harras's Operating Co Inc @ 11.250%, due 06/01/17	37,146	35,306	B
HCA - The Healthcare C @ 7.875%, due 02/15/20	116,075	113,850	BB
Health Management @ 6.125%, due 04/15/16	27,975	29,475	BB-
Hertz Corp @ 8.875%, due 01/01/14	3,015	3,000	B-
Host Marriott LP @ 6.375%, due 03/15/15	71,625	74,625	BB+
Icahn Enterprises @ 8.000%, due 01/15/18	72,734	72,726	BBB-
International Lease Fin Corp @ 5.625%, due 09/20/13	33,730	36,480	BBB-
Iron Mountain Inc @ 8.375%, due 08/15/21	37,778	36,720	B+
Kinder Morgan Inc @ 5.700%, due 01/05/16	62,725	65,162	BB
Leucadia National Corp @ 7.125%, due 03/15/17	66,843	71,400	BB+
Leucadia National Corp @ 8.125%, due 09/15/15	34,611	36,125	BB+
Level 3 Fing Inc @ 8.750%, due 02/15/17	113,195	117,920	CCC
Markwest Energy Partners LP @ 6.750%, due 11/01/20	41,150	40,600	BB
Mediacom Broadband L @ 8.500%, due 10/15/15	35,300	34,825	B-
Midwest Generation LLC @ 8.560%, due 01/02/16	23,069	22,257	No rating
Newfield Exploration Co @ 7.125%, due 05/15/18	35,350	36,225	BB+
NRG Energy Inc @ 8.500%, due 06/15/19	77,883	72,375	BB-
Paetec Holding Corp @ 8.875%, due 06/30/17	35,350	36,750	B
Penn National Gaming Inc @ 8.750%, due 08/15/19	73,373	74,200	BB-
Pioneer Natural Reso @ 5.875%, due 07/15/16	32,550	36,971	BB+
Plains Exploration & @ 7.750%, due 06/15/15	41,500	41,200	BB-
Qwest Communications @ 7.500%, due 02/15/14	34,738	35,000	BB
Range Resources Corp @ 6.750%, due 08/01/20	79,461	79,875	BB
Regions Finl @ 5.750%, due 06/15/15	39,900	38,400	BB+
Sears Holdings Corp @ 6.625%, due 10/15/18	37,335	37,125	BB
Smithfield Foods Inc @ 7.750%, due 07/01/17	32,400	41,100	B+
Sprint Cap Corp Company Cty @ 6.900%, due 05/01/19	106,056	98,900	BB-
Tenet Healthcare Cor @ 9.250%, due 02/01/15	30,967	30,000	CCC+
Terex Corp @ 10.875%, due 06/01/16	32,440	31,800	BB-
United Rentals North America @ 9.250%, due 12/15/19	73,555	72,625	B
Windstream Corp @ 8.625%, due 08/01/16	26,000	25,750	B+
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp @ 7.875%, due 05/01/20	74,618	73,325	BBB-
<b>Total Corporate Bonds - Seix</b>	<b>3,479,919</b>	<b>3,491,540</b>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Allegheny Technologies Inc @ 4.25%, due 06/01/14	169,768	131,618	BBB-
Amgen Inc @ 0.375%, due 02/01/13	109,886	107,093	A+
AMR Corp @ 6.25%, due 10/15/14	81,592	41,388	CCC+
Anixter Intl Inc @ 1.00%, due 02/15/13	61,763	55,013	B+
Avis Budget Group Inc @ 3.50%, due 10/01/14	64,968	51,211	NR
Biomarin Pharmaceutical @ 1.875%, due 04/23/17	157,641	181,485	B
Chesapeake Energy @ 2.75%, due 11/15/35	132,219	119,025	BB+
Coinstar Inc @ 4.00%, due 09/01/14	98,170	81,169	BB-
Core Labs LP @ 0.25%, due 10/31/11	214,458	220,725	No rating
Covanta Holdings Corp @ 3.25%, due 06/01/14	66,000	59,881	B
Danaher Corp @ 0.00%, due 01/22/21	150,284	132,571	A+
EMC Corp @ 1.75%, due 12/01/13	271,695	249,791	A-
Equinix Inc @ 4.75%, due 06/15/16	68,310	69,255	B
Gilead Sciences Inc @ 1.00%, due 05/01/14	121,031	121,100	A-
Intl Game Technology @ 3.25%, due 05/01/14	131,607	128,800	BBB
L-3 Communications Corp @ 3.00%, due 08/01/35	108,858	102,600	BB+
Lucent Technologies Inc @ 2.875%, due 06/15/25	65,340	60,968	B
Massey Energy Co @ 3.25%, due 08/01/15	64,889	53,175	BB-
Medtronic Inc @ 1.625%, due 04/15/13	64,492	64,080	AA-
MF Global Holdings Ltd @ 1.875%, due 02/01/16	66,591	50,880	BBB-
MGM Resorts International @ 4.25%, due 04/15/15	66,413	54,483	CAA1
Microchip Technology Inc @ 2.125%, due 12/15/37	136,543	125,759	No rating
Micron Technology @ 4.25%, due 10/15/13	65,118	49,700	BB-
Molson Coors Brewing Company @ 2.50%, due 07/30/13	124,470	113,535	BBB-
Mylan Laboratories Inc @ 1.25%, due 03/15/12	132,318	115,710	BB
Newmont Mining Corp @ 1.25%, due 07/15/14	75,431	78,637	BBB+
Newpark Resources Inc @ 4.00%, due 10/01/17	48,667	49,680	CCC+
Nuance Communications Inc @ 2.75%, due 08/15/27	65,413	67,905	BB-
On Semiconductor Corp @ 2.625%, due 12/15/26	131,657	116,085	BB
Peabody Energy Corp @ 4.75%, due 12/15/41	211,217	168,705	B+
Sandisk Corp @ 1.50%, due 08/15/17	63,652	56,362	BB-
Savient Pharmaceuticals Inc @ 4.75%, due 02/01/18	66,052	41,850	No rating
SBA Communications Corp @ 1.875%, due 05/01/13	123,579	113,087	No rating
St Mary & Exp @ 3.50%, due 04/01/27	130,853	131,220	No rating
Stanley Works @ __%, due 05/17/12	64,144	56,441	A-
Steel Dynamics Inc @ 5.125%, due 06/15/14	140,746	112,134	BB+
Teleflex Inc @ 3.875%, due 08/01/17	114,305	117,315	BB-
Textron Inc @ 4.50%, due 05/01/13	105,300	81,202	BBB-
Transocean Inc @ 1.50%, due 12/15/37	106,684	105,594	BBB
TTM Technologies Inc @ 3.25%, due 05/15/15	63,450	53,730	BB-
Verisign Inc @ 3.25%, due 08/15/37	61,942	55,147	No rating
Virgin Media Inc @ 6.50%, due 11/15/16	88,722	81,000	B+
Wesco Intl Inc @ 6.00%, due 09/15/29	109,325	76,546	B
<b>Total Corporate Bonds - MacKay Shields</b>	<b>4,565,563</b>	<b>4,103,655</b>	
<b>Total Corporate Bonds</b>	<b>21,514,846</b>	<b>22,379,598</b>	
<b>Total Fixed Income Securities</b>	<b>34,013,441</b>	<b>35,603,794</b>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<b>\$ 51,844,694</b>	<b>\$ 52,003,958</b>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

<b>Mutual Funds</b>	<u>Cost</u>	<u>Fair Value</u>
Templeton Global Bond Fund Advisor Class - Smith Barney	\$ 732,144	\$ 687,318
<b>Total Mutual Funds</b>	<u>732,144</u>	<u>687,318</u>
<b>Equities</b>		
<b>Domestic Preferred Stock</b>		
Affiliated Managers Group	22,911	19,041
Bank of America Corp	28,216	22,185
Citigroup	9,165	5,176
Crown Castle Int	16,666	15,678
General Motors Company	9,218	5,858
Goodyear Tire & Rubber Co	13,701	8,835
Hartford Finl Svcs Group Inc	7,895	5,739
PPL Corp	15,912	15,807
Stanley Black & Decker	16,641	14,802
Wells Fargo & Co	7,063	7,224
<b>Total Domestic Preferred Stock - MacKay Shields</b>	<u>147,388</u>	<u>120,345</u>
<b>International Preferred Stock</b>		
Vale Capital II	9,618	6,079
<b>Total International Preferred Stock - MacKay Shields</b>	<u>9,618</u>	<u>6,079</u>
<b>Domestic Common Stock</b>		
Allergan Inc	28,337	28,833
Amazon Com Inc	61,407	75,680
American Express Co	35,070	31,430
American Tower Corp	19,246	21,520
Apache Corp	13,122	8,024
Apple Inc	21,276	82,365
Boeing Co	18,271	15,127
Capital One Finl Corp	26,086	21,797
Citygroup Inc	23,061	12,295
Coach Inc	6,526	6,479
CVS Caremark Corp	39,683	36,109
DirecTV	40,421	47,554
E I Du Pont De Nemours & Co	14,957	13,990
Emc Corp	18,859	14,168
Express Scripts Inc	32,550	28,729
Exxon Mobil Corp	51,436	43,578
Google Inc	70,226	69,015
Halliburton Co Holdings Co	38,154	24,416
Intel Corp	15,418	14,401
Intl Business Machines Corp	49,314	80,440
Johnson & Johnson	44,808	42,991
JPMorgan Chase & Co	45,808	31,626
Kraft Foods Inc	15,322	15,111
Mastercard Inc	30,326	27,593
McDonalds Corp	26,215	28,542
Metlife Inc	49,919	32,912
Microsoft Corp	51,106	47,291
News Corp	41,025	38,700
Oracle Corp	32,367	40,236
Pfizer Inc	21,894	19,448
Philip Morris Intl Inc	13,946	12,476
Precision Castparts Corp	21,719	31,092
Proctor & Gamble Co	20,080	18,954
Qualcomm Inc	25,373	23,099
Union Pacific Corp	16,699	28,585
United Parcel Service	15,399	14,209
United Technologies Corp	35,568	47,493

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Equities, Continued	Cost	Fair Value
<b>Domestic Common Stock, Continued</b>		
Unitedhealth Group Inc	34,761	32,284
Viacom Inc	25,318	19,370
Walt Disney Co	23,623	19,604
Wellpoint Inc	34,290	32,640
<b>Subtotal - Atalanta/Sosnoff</b>	<b>1,248,986</b>	<b>1,280,206</b>
Las Vegas Sands Corp	4,919	6,019
Mcdermott International Inc	1,973	1,582
<b>Subtotal - Newgate</b>	<b>6,892</b>	<b>7,601</b>
<b>Total Domestic Common Stock</b>	<b>1,255,878</b>	<b>1,287,807</b>
<b>International Common Stock</b>		
Baidu Inc	20,025	14,647
Enesco PLC ADR	7,991	7,075
Schlumberger Ltd	45,709	38,824
<b>Subtotal - Atalanta/Sosnoff</b>	<b>73,725</b>	<b>60,546</b>
AKBank Turk Anonim Sirketi	3,767	3,045
America Movil S.A.B De CV	6,069	5,873
Banco DO Brasil SA	7,616	5,862
Banco Macro S.A. Spons ADR	4,768	3,282
Bank Mandiri TBK	1,897	1,814
Bidvest Group Ltd	5,975	4,772
China Constr Bk Corp	4,055	2,939
Cielo SA Spon ADR	6,714	6,815
Clicks Group Limited	5,049	3,625
Commercial Intl Bk	5,363	3,815
Companhia De Bebidas Das Amers	4,804	4,965
Companhia Energetica De Minas	6,359	6,307
Companhia Siderurgica Nacional	6,608	3,613
Desarrolladora Homex S.A. De C.V.	4,019	1,566
Gazprom OAO Spons ADR	4,421	3,686
Grupo Televisa SA De CV	3,564	3,641
Infosys Ltd	3,530	3,677
KB Financial Group Inc	4,399	3,800
Kimberly Clarke De Mex SA	3,527	4,352
KOC Holding AS Unspn ADR	3,600	4,098
Kumba Iron ORE-Spon ADR	821	1,303
Lukoil Oil	4,318	3,865
Massmart Holdings Ltd	1,203	1,711
Mobile Telesystems OJSC Spon ADR	6,952	4,244
Nedbank Group Ltd	4,126	4,318
Netease.com Inc	3,150	2,862
Orascom Constr Inds S A E	5,956	4,357
Oriflame Cosmetics	7,550	4,955
Philippine Long Distance Tel Co	7,415	6,488
Pretoria Portland	3,633	2,237
PT Perusahaan Gas Negara Perse	4,674	2,928
PT Telekomunikasi Indonesia	7,310	6,647
PTT Exploration and Production	3,016	2,298
Sanlam Ltd	2,542	2,961
Sberbank	5,379	3,440
Semen Gresik	4,308	3,917
Shinhan Financial Grp Co Ltd	5,889	5,133
Shoprite Holdings	3,254	4,837
Standard Bank Group	3,906	3,326
Taiwan Semiconductor Mfg Co Ltd	4,248	4,675
Tiger Brands Ltd	3,958	4,652

See Accompanying Independent Auditors' Report.



MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Equities, Continued	Cost	Fair Value
<b>International Common Stock, Continued</b>		
Turkcell Iletism Hizmet	7,442	5,143
United Tractors	2,050	2,796
Vale S A Spon Adr	7,591	6,573
Weichai Power Co	5,522	4,155
YPF SA Spon Adr	5,263	4,071
<b>Subtotal - Lazard</b>	<b>217,580</b>	<b>185,439</b>
Adr Sakari Resources Limited	2,714	1,781
America Movil S.A.B. De CV	5,002	4,416
Anhui Conch Cement H	4,108	2,629
Antofagasta P L C	2,967	2,003
Baidu Inc	4,367	3,849
Banco Bradesco Spons Adr	4,682	3,520
China Constr BK Corp	10,470	6,902
China Shenhua Energy Co	2,880	2,538
CNOOC Ltd	5,381	5,290
Cosan Ltd	4,362	3,172
Creditcorp Ltd	2,513	2,213
CTrip.com International Ltd	7,102	5,370
Gafisa S A Spon Adr	8,168	3,341
Gazprom OAO Spons Adr	4,876	4,011
Gerdau SA Spons Adr	4,955	2,631
HDFC Bank Ltd	4,850	4,402
Icici Bank Ltd	1,440	972
Industrial & Coml BK China-CNY	3,883	2,554
Infosys Ltd	6,697	5,873
Itau Unibanco Banco Hldg S A Adr	12,515	9,064
Jiangxi Copper Co Ltd	4,812	2,762
K B Financial Group Inc	7,647	5,340
Lukoil Oil Spons Adr	5,612	4,718
Mechel OAO Spons Adr	4,284	1,875
Mobile Telesystems OJSC	8,544	5,363
MTN Group Ltd	2,037	1,788
Naspers Ltd Spon Adr	3,804	3,788
Pacific Rubiales Energy Corp	3,529	3,110
Petroleo Brasileiro SA Adr	6,458	3,522
Petroleo Brasileiro SA Petrobras	6,197	3,345
Posco Spon Adr	6,762	4,485
Sberbank Sponsored Adr	3,057	2,184
Shinhan Financial Grp Co Ltd	7,277	6,296
Silver Standard Resources Inc	3,962	2,642
Taiwan Semiconductor Mfg Co Ltd	4,336	4,675
Tencent Hldgs Ltd	4,413	3,676
Turkiye Garanti Bankasi A S	3,091	2,318
United Tractors	3,306	3,175
Vale S A Spon Adr	12,167	10,397
Woori Fin Hldgs Co Ltd	2,505	1,596
Yanzhou Coal Mining Co Ltd	5,006	4,325
<b>Subtotal - Newgate</b>	<b>212,738</b>	<b>157,911</b>
<b>Total International Common Stock</b>	<b>504,043</b>	<b>403,896</b>
<b>Closed End Funds</b>		
Global X Brazil Consumer ETF - Newgate	1,548	1,277
<b>Total Closed End Funds</b>	<b>1,548</b>	<b>1,277</b>
<b>Total Equities</b>	<b>1,918,475</b>	<b>1,819,404</b>

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Fixed Income Securities	Cost	Fair Value	
<b>Asset &amp; Mortgage Backed Securities</b>			
Bear Stears Commercial Mort SE @ 5.186%, due 09/11/13	26,578	26,267	No rating
CS First Boston Mortg SEC Corp @ 6.133%, due 03/15/12	35,981	35,411	No rating
FHLMC PL#A39210 @ 5.500%, due 10/01/35	47,669	51,244	No rating
FHLMC PL#A47758 @ 5.000%, due 11/01/35	21,293	23,566	No rating
FHLMC PL#A87388 @ 5.000%, due 07/01/39	68,328	72,027	No rating
FHLMC PL#A93614 @ 4.500%, due 08/01/40	26,811	27,105	No rating
FHLMC PL#A93763 @ 4.500%, due 09/01/40	55,203	55,794	No rating
FHLMC PL#A96380 @ 4.000%, due 01/01/41	37,541	40,361	No rating
FHLMC PL#A97673 @ 4.500%, due 03/01/41	40,131	41,438	No rating
FHLMC PL#AC9290 @ 5.500%, due 04/01/41	25,295	25,898	No rating
FHLMC PL#A12463 @ 4.500%, due 05/01/41	51,256	52,172	No rating
FHLMC PL#G06501 @ 4.000%, due 04/01/41	54,601	56,882	No rating
FHLMC PL#G11736 @ 5.000%, due 04/01/20	19,012	20,504	No rating
FHLMC PL#G13174 @ 5.000%, due 06/01/23	23,977	25,093	No rating
FHLMC PL#MA0640 @ 4.500%, due 02/01/41	49,070	51,409	No rating
FNMA PL#256552 @ 5.500%, due 12/01/36	32,547	32,649	No rating
FNMA PL#603265 @ 5.500%, due 09/01/16	1,162	1,254	No rating
FNMA PL#739168 @ 5.500%, due 09/01/18	1,993	2,100	No rating
FNMA PL#743002 @ 5.500%, due 10/01/18	1,568	1,653	No rating
FNMA PL#745506 @ 5.662%, due 02/01/16	44,720	50,757	No rating
FNMA PL#831831 @ 6.000%, due 09/01/36	16,866	18,477	No rating
FNMA PL#922270 @ 5.500%, due 12/01/36	41,285	45,147	No rating
FNMA PL#966123 @ 6.000%, due 10/01/37	55,687	60,053	No rating
FNMA PL#AC5849 @ 5.000%, due 05/01/40	24,050	24,923	No rating
GNMA PL#782379X @ 6.000%, due 08/15/38	9,285	10,352	No rating
Greenwich Cap Commercial Fund @ 4.533%, due 01/05/36	31,261	31,087	No rating
JP Morgan Chase Commer Mtg Sec @ 4.767%, due 03/12/39	29,255	30,881	No rating
L-UBS Coml Mtg Tr @ 5.156%, due 02/15/31	43,515	43,245	No rating
L-UBS Commercial Mtg Trust @ 5.594%, due 06/15/31	50,948	50,742	No rating
Morgan Stanley Capital I @ 4.970%, due 12/15/41	33,681	36,816	No rating
Wachovia Bk Coml Mtg Tr @ 4.980%, due 10/15/12	13,688	14,829	No rating
<b>Total Asset &amp; Mortgage Backed Securities - Richmond</b>	<b>1,014,257</b>	<b>1,060,136</b>	
<b>Government Bonds</b>			
U.S. Treasury Bonds @ 4.750%, due 02/15/37	93,800	114,166	NR
<b>Total Government Bonds - Richmond</b>	<b>93,800</b>	<b>114,166</b>	
<b>International Bonds</b>			
Arcelormittal Conv @ 5.000%, due 05/15/14	10,108	7,341	BBB-
Ingersoll-Rand Co Ltd @ 4.500%, due 04/15/12	18,734	11,200	BBB+
<b>Total International Bonds - MacKay Shields</b>	<b>28,842</b>	<b>18,541</b>	
Royal Carribean Cruises @ 6.875%, due 12/01/13	5,820	6,120	BB
Videotron Ltee @ 6.875%, due 01/15/14	5,057	5,000	BB
Quebecor Media Inc. @ 7.750%, due 03/15/16	6,987	7,000	B+
<b>Total International Bonds - Seix</b>	<b>17,864</b>	<b>18,120</b>	
<b>Total International Bonds</b>	<b>46,706</b>	<b>36,661</b>	
<b>Corporate Bonds</b>			
Allegheny Technologies Inc @ 4.250%, due 06/01/14	23,363	18,113	BBB-
Amgen Inc @ 0.375%, due 02/01/13	15,122	14,738	A+
AMR Corp @ 6.250%, due 10/15/14	10,490	5,321	CCC+
Anixter Intl Inc @ 1.000%, due 02/15/13	8,006	7,131	B+
Avis Budget Group Inc @ 3.500%, due 10/01/14	8,581	6,764	NR
Biomarin Phamaceutical CV @ 1.875%, due 04/23/17	21,694	24,975	B
Chesapeake Energy @ 2.750%, due 11/15/35	17,246	15,525	BB+

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Coinstar Inc @ 4.000%, due 09/01/14	13,593	11,239	BB-
Core Labs LP CV @ .250%, due 10/31/11	29,513	30,375	No rating
Covanta Holdings Corp @ 3.250%, due 06/01/14	8,400	7,621	B
Danaher Corp @ 00.000%, due 01/22/21	20,681	18,244	A+
EMC Corp @ 1.750%, due 12/01/13	36,840	33,870	A-
Equinix Inc @ 4.750%, due 06/15/16	8,855	8,978	B
Gilead Sciences Inc @ 1.000%, due 05/01/14	16,210	16,219	A-
Intl Game Technology @ 3.250%, due 05/01/14	17,626	17,250	BBB
L-3 Communications Corp @ 3.000%, due 08/01/35	14,111	13,300	BB+
Lucent Technologies Inc @ 2.875%, due 06/15/25	8,910	8,314	B
Massey Energy Co @ 3.250%, due 08/01/15	8,652	7,090	BB-
Medtronic Inc @ 1.625%, due 04/15/13	9,069	9,011	AA-
MF Global Holdings Ltd @ 1.875%, due 02/01/16	9,364	7,155	BBB-
MGM Resorts International @ 4.250%, due 04/15/15	8,569	7,030	CAA1
Microchip Technology Inc @ 2.125%, due 12/15/37	18,790	17,306	No rating
Micron Technology @ 4.250%, due 10/15/13	8,140	6,213	BB-
Molson Coors Brewing Company @ 2.500%, due 07/30/13	16,135	14,718	BBB-
Mylan Laboratories Inc @ 1.250%, due 03/15/12	17,107	14,963	BB
Newmont Mining Corp @ 1.250%, due 07/15/14	9,778	10,194	BBB+
Newpark Resources Inc @ 4.000%, due 10/01/17	6,309	6,440	CCC+
Nuance Communications Inc @ 2.750%, due 08/15/27	8,480	8,802	BB-
On Semiconductor Corp @ 2.625%, due 12/15/26	18,118	15,975	BB
Peabody Energy Corp @ 4.750%, due 12/15/41	28,508	22,770	B+
Sandisk Corp @ 1.500%, due 08/15/17	8,251	7,306	BB-
Savient Pharmaceuticals Inc @ 4.750%, due 02/01/18	8,807	5,580	No rating
SBA Communications Corp @ 1.875%, due 05/01/13	17,006	15,562	No rating
ST Mary&Exp Global CV @ 3.500%, due 04/01/27	16,962	17,010	No rating
Stanley Works CV @ 0.000%, due 05/17/12	8,164	7,183	A-
Steel Dynamics Inc @ 5.125%, due 06/15/14	19,369	15,431	BB+
Teleflex Inc @ 3.875%, due 08/01/17	14,817	15,207	BB-
Textron Inc @ 4.50%, due 05/01/13	13,650	10,526	BBB-
Transocean Inc @ 1.500%, due 12/15/37	14,681	14,531	BBB
TTM Technologies Inc @ 3.250%, due 05/15/15	8,225	6,965	BB-
Verisign Inc @ 3.250%, due 08/15/37	8,029	7,149	No rating
Virgin Media Inc @ 6.500%, due 11/15/16	11,501	10,500	B+
Wesco Intl Inc @ 6.000%, due 09/15/29	14,172	9,922	B
<b>Total Corporate Bonds - MacKay Shields</b>	<b>609,894</b>	<b>548,516</b>	
Abbott Laboratories @ 5.875%, due 05/15/16	9,940	11,772	AA
Ace Ina Holdings @ 5.600%, due 05/15/15	10,165	11,189	A
Ace Ina Holdings @ 8.875%, due 08/15/29	6,572	7,004	A
Aflac Inc @ 8.500%, due 05/15/19	10,391	12,173	A-
Allstate Corp @ 7.450%, due 05/16/19	18,654	18,336	A-
American Express Conotes @ 4.875%, due 07/15/13	9,733	10,502	BBB+
American Express Global @ 6.150%, due 08/28/17	9,974	11,430	BBB+
Ameritech Cap FDG Co @ 6.550%, due 01/15/28	5,198	5,699	A-
Archer Daniels Midland Co @ 7.500%, due 03/15/27	12,486	14,147	A
AT&T Broadband Corp @ 9.455%, due 11/15/22	11,807	14,429	BBB+
Atlantic Richfield @ 8.500%, due 04/01/12	5,094	5,176	A
Bank of America Corp @ 4.875%, due 09/15/12	20,524	20,009	A
Bank of New York Mellon @ 5.450%, due 05/15/19	10,044	11,554	AA-
BB&T Corp. @ 4.900%, due 06/30/17	9,314	10,653	A-
BB&T Corp. @ 5.200%, due 12/23/15	14,197	16,114	A-
Becton Dickinson & Co. @ 7.000%, due 08/01/27	5,287	6,696	AA-
Becton Dickinson @ 6.000%, due 05/15/39	6,231	6,414	AA-
BellSouth Telecommunications @ 6.375%, due 06/01/28	9,113	11,382	A-
Berkshire Hathaway Inc @ 5.400%, due 05/15/18	21,014	22,835	AA+
Bestfoods Inc @ 6.625%, due 04/15/28	10,426	13,224	A+
Blackrock Inc @ 5.000%, due 12/15/19	10,598	10,963	A+

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Boeing Co. @ 7.250%, due 06/15/25	11,035	13,569	A
Burlington Northern Santa Fe @ 6.150%, due 05/01/37	4,785	6,123	BBB+
Campbell Soup Co. @ 8.875%, due 05/01/21	6,057	7,257	A
Caterpillar Inc. @ 7.900%, due 12/15/18	12,829	13,404	A
Charles Schwab @ 4.450%, due 07/22/20	5,353	5,268	A
Chubb Corp @ 6.600%, due 08/15/18	5,040	5,962	A+
Chubb Corp @ 6.800%, due 11/15/31	5,803	6,318	A+
Citigroup Inc. @ 5.500%, due 04/11/13	9,557	10,312	A
Coca Cola Enterprises Inc. @ 6.950%, due 11/15/26	5,608	6,730	A+
Conoco Inc @ 6.950%, due 04/15/29	5,402	6,657	A
ConocoPhillips @ 5.750%, due 02/01/19	16,311	17,935	A
Consolidated Nat Gas @ 6.250%, due 11/01/11	10,001	10,039	A-
Cooper US Fin Inc @ 6.100%, due 07/01/17	21,072	23,770	A
Costco Wholesale Cor @ 5.500%, due 03/15/17	20,201	23,653	A+
CSX Corporation @ 6.300%, due 03/15/12	10,015	10,233	BBB
Deere & Company @ 8.100%, due 05/15/30	12,836	15,086	A
Devon Energy Corp @ 6.300%, due 01/15/19	20,121	24,245	BBB+
Du Pont E I De Nemou @ 6.000%, due 07/15/18	21,944	24,445	A
Duke Energy Corp. @ 7.000%, due 11/15/18	22,920	25,562	A
Eaton Corp. @ 5.600%, due 05/15/18	14,882	17,820	A-
Eli Lilly & Co @ 5.500%, due 03/15/27	10,588	12,037	AA-
Emerson Electric Co @ 4.875%, due 10/15/19	5,045	5,804	A
EOG Resources Inc @ 5.625%, due 06/01/19	10,975	11,837	A-
Equitable Cos Inc. @ 7.000%, due 04/01/28	9,632	10,982	A
Federal Express Corp @ 9.650%, due 06/15/12	10,290	10,583	BBB
Florida Power Corp 1st Mtg @ 5.800%, due 09/15/17	10,007	11,905	A
General Dynamics Corp @ 4.250%, due 05/15/13	9,431	10,562	A
General Elec Cap Corp Global @ 5.450%, due 01/15/13	26,022	31,508	AA+
General Elec Cap Corp Global @ 6.750%, due 03/15/32	5,493	5,708	AA+
General Elec Capital Corp @ 4.750%, due 09/15/14	4,884	5,354	AA+
Goldman Sachs Group @ 6.000%, due 06/15/20	5,050	5,143	A
Goldman Sachs Group Inc @ 5.625%, due 01/15/17	19,095	19,401	A-
Goldman Sachs Group Inc @ 6.600%, due 01/15/12	5,029	5,072	A
Halliburton Co @ 5.900%, due 09/15/18	10,096	11,890	A
Halliburton Co @ 6.700%, due 09/15/38	5,855	6,612	A
Hartford Finl Svcs Grp @ 6.300%, due 03/15/18	15,691	15,505	BBB
Heinz (H.J.) Co. @ 6.375%, due 07/15/28	5,127	6,096	BBB+
Hershey Company @ 5.450%, due 09/01/16	15,000	17,332	A
Household Finance Co @ 6.375%, due 10/15/11	20,033	20,029	A
IBM Corp @ 7.000%, due 10/30/25	11,810	13,663	A+
Intl Business Machs Corp @ 8.375%, due 11/01/19	6,697	7,055	A+
JP Morgan Chase & Co @ 4.250%, due 10/15/20	10,126	10,024	A+
JP Morgan Chase & Co @ 5.375%, due 01/15/14	14,714	16,185	A+
JP Morgan Chase & Co @ 6.300%, due 04/23/19	10,816	11,313	A+
Kellogg Co @ 4.000%, due 12/15/20	21,185	21,433	BBB+
Key Bank NA @ 4.950%, due 09/15/15	14,042	15,966	BBB+
Keycorp @ 6.500%, due 05/14/13	5,326	5,333	BBB+
Kraft Foods Inc. @ 6.125%, due 08/23/18	9,807	11,788	BBB-
Lincoln National Corp @ 8.750%, due 07/01/19	11,879	11,853	A-
Lincoln Natl Corp @ 6.200%, due 12/15/11	15,010	15,141	A-
Lockheed Martin Corp @ 4.850%, due 09/15/41	4,952	5,261	A-
M & T Bk Corp @ 5.375%, due 05/24/12	23,187	25,610	A-
Markel Corp @ 5.350%, due 06/01/21	10,047	10,205	BBB
Mellon Funding @ 5.000%, due 12/01/14	9,998	10,736	A+
Merrill Lynch & Co. Inc. @ 5.000%, due 02/03/14	10,035	9,800	A
Metlife Inc. @ 5.000%, due 06/15/15	9,636	10,955	A-
Metlife Inc. @ 6.125%, due 12/01/11	20,011	20,160	A-
Metlife Inc. @ 7.717%, due 02/15/19	11,475	12,258	A-
Morgan Stanley @ 5.375%, due 10/15/15	30,525	29,761	A
News America Holding Inc @ 8.500%, due 02/23/25	11,389	13,132	BBB+

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Norfolk Southern Corp @ 7.800%, due 05/15/27	6,270	7,103	BBB+
Occidental Petroleum Cor @ 4.125%, due 06/01/16	9,797	11,106	A
Ohio Power Co @ 5.750%, due 09/01/13	14,988	16,104	BBB
Pfizer Inc @ 6.200%, due 03/15/19	22,227	25,063	AA
PNC Funding Corp @ 5.625%, due 02/01/17	9,923	10,857	A-
Prudential Fin @ 6.100%, due 06/15/17	15,875	16,343	A
Stryker Corp @ 4.375%, due 01/15/20	10,484	10,995	A+
Sysco Corporation @ 6.500%, due 08/01/28	10,173	12,967	A+
Thermo Fisher Scientific Inc @ 3.600%, due 08/15/21	5,089	5,190	A
Time Warner Inc @ 6.625%, due 05/15/29	11,279	11,479	BBB
Travelers Cos Inc @ 5.750%, due 12/15/17	9,772	11,545	A
Union Pacific Corp @ 7.875%, due 01/15/19	11,031	13,015	BBB+
United Technologies Corp @ 6.125%, due 02/01/19	11,115	12,263	A
United Technologies Corp @ 8.875%, due 11/15/19	12,420	14,071	A
US Bank NA @ 4.800%, due 04/15/15	4,789	5,466	A+
Verizon Communications @ 5.500%, due 02/15/18	9,975	11,596	A-
Verizon Communications @ 8.750%, due 11/01/18	12,232	13,391	A-
Virginia Electric PO @ 8.875%, due 11/15/38	6,196	8,180	A-
Wachovia Corp. @ 4.875%, due 02/15/14	9,424	10,401	A+
Wal-Mart Stores Inc @ 6.500%, due 08/15/37	12,590	13,261	AA
Walt Disney Company @ 5.875%, due 12/15/17	10,038	12,022	A
Wisconsin Pwr & Lt Co @ 6.375%, due 08/15/37	4,971	6,610	A-
<b>Total Corporate Bonds - Richmond</b>	<b>1,175,202</b>	<b>1,296,109</b>	
AES Corp @ 8.000%, due 10/15/17	14,480	14,070	BB-
Alliant Techsystems Inc @ 6.875%, due 09/15/20	15,721	15,000	BB-
Ally Financial Inc @ 8.000%, due 03/15/20	7,894	6,479	B+
American Gen Fin Corp @ 5.400%, due 12/01/15	6,010	5,840	B
Autonation, Inc. @ 6.750%, due 04/15/18	14,342	14,280	BB+
Ball Corp @ 5.750%, due 05/15/21	7,880	7,780	BB+
Ball Corp @ 6.625%, due 03/15/18	6,090	6,030	BB+
Biomet Inc @ 10.000%, due 10/15/17	5,387	5,150	B-
Case Corp @ 7.250%, due 01/15/16	4,850	5,175	BB+
CCO Holdings LLC / CCO Holding @ 7.250%, due 10/30/17	14,403	14,000	BB-
Chesapeake Energy Co @ 7.250%, due 12/15/18	14,352	14,910	BB+
Cimarex Energy Co @ 7.125%, due 05/01/17	7,873	8,080	BB+
Cinemark USA Inc @ 8.625%, due 06/15/19	6,500	6,180	B
CIT Group Funding Company @ 7.000%, due 05/01/15	7,598	7,940	B+
CIT Group Funding Company @ 7.000%, due 05/01/17	12,193	13,580	B+
Community Health Sys @ 8.875%, due 07/15/15	20,842	19,650	B
Constellation Brands Inc @ 8.375%, due 12/15/14	14,864	15,365	BB+
Corrections Corp of America @ 7.750%, due 06/01/17	13,647	13,731	BB
Crown Castle Intl Corp @ 9.000%, due 01/15/15	5,289	5,300	B-
CSC Holdings Inc @ 7.625%, due 07/15/18	5,135	5,225	BB
Echostar Dbs Corp @ 7.125%, due 02/01/16	22,165	22,275	BB-
Edison Mission Energ @ 7.500%, due 06/15/13	6,640	6,510	B-
El Paso Corp @ 7.000%, due 06/15/17	13,930	15,682	BB-
Energy Future / EFlH Finan @ 10.000%, due 12/01/20	13,773	12,675	B-
Energy Transfer Equity LP @ 7.500%, due 10/15/20	21,035	20,550	BB-
First Data Corporation @ 9.875%, due 9/24/15	6,535	5,863	B-
Ford Motor Credit Co @ 7.000%, due 10/01/13	12,345	13,652	BB-
Freescale Semiconduc @ 10.125%, due 12/15/16	5,900	7,123	CCC+
Frontier Communications @ 8.250%, due 05/01/14	7,181	7,219	BB
Genon Energy Inc @ 9.875%, due 10/15/20	7,263	6,545	B
Genworth Financial Inc @ 7.625%, due 09/24/21	7,048	6,033	BBB
Georgia Pac Corp @ 8.000%, due 01/15/24	7,219	8,218	BBB-
GMAC LLC @ 8.000%, due 11/01/31	13,038	12,285	B+
Harrah's Operating Co Inc @ 11.250%, due 06/01/17	6,368	6,053	B
HCA - The Healthcare Co @ 7.875%, due 02/15/20	22,174	21,735	BB
Health Management @ 6.125%, due 04/15/16	4,640	4,912	BB-

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2011

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Host Marriott LP @ 6.375%, due 03/15/15	14,512	14,925	BB+
Icahn Enterprises @ 8.000%, due 01/15/18	13,947	13,947	BBB-
International Lease Fin Corp @ 5.625%, due 09/20/13	6,210	6,720	BBB-
Iron Mountain Inc @ 8.375%, due 08/15/21	7,346	7,140	B+
Kinder Morgan Inc @ 5.700%, due 01/05/16	14,400	15,038	BB
Leucadia National Corp @ 7.125%, due 03/15/17	13,230	14,280	BB+
Leucadia National Corp @ 8.125%, due 09/15/15	6,087	6,375	BB+
Level 3 Fing Inc @ 8.750%, due 02/15/17	21,335	22,110	CCC
Markwest Energy Partners LP @ 6.750, due 11/01/20	7,201	7,105	BB
Mediacom Broadband @ 8.500%, due 10/15/15	8,120	7,960	B-
Midwest Generation LLC @ 8.560%, due 01/02/16	5,804	5,564	No rating
Newfield Exploration Co @ 7.125%, due 05/15/18	5,100	5,175	BB+
NRG Energy Inc @ 8.500%, due 06/15/19	15,561	14,475	BB-
Paetec Holding Corp @ 8.875%, due 06/30/17	5,050	5,250	B
Penn National Gaming Inc @ 8.750%, due 08/15/19	14,480	14,840	BB-
Pioneer Natural Reso @ 5.875%, due 07/15/16	6,530	7,394	BB+
Plains Exploration @ 7.750%, due 06/15/15	7,262	7,210	BB-
Qwest Communications @ 7.500%, due 02/15/14	7,044	7,000	BB
Range Resources Corp @ 6.750%, due 08/01/20	15,862	15,975	BB
Regions Finl @ 5.750%, due 06/15/15	7,980	7,680	BB+
Sears Holdings Corp @ 6.625%, due 10/15/18	6,630	6,600	BB
Smithfield Foods Inc @ 7.750%, due 07/01/17	8,274	10,275	B+
Sprint Cap Corp Company Gty @ 6.900%, due 05/01/19	20,020	18,920	BB-
Tenet Healthcare Cor @ 9.250%, due 02/01/15	5,162	5,000	CCC+
Terex Corp @ 10.875%, due 06/01/16	6,488	6,360	BB-
United Rentals North America @ 9.250%, due 12/15/19	14,763	14,525	B
Windstream Corp @ 8.625%, due 08/01/16	2,080	2,060	B+
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp @ 7.875%, due 05/01/20	14,000	13,619	BBB-
<b>Total Corporate Bonds - Seix</b>	<u>663,082</u>	<u>664,617</u>	
<b>Total Corporate Bonds</b>	<u>2,448,178</u>	<u>2,509,242</u>	
<b>Total Fixed Income Securities</b>	<u>3,602,941</u>	<u>3,720,205</u>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<u>\$ 6,253,560</u>	<u>\$ 6,226,927</u>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 2

Schedule of Administrative Expenses  
 Compared to Budget  
 Year Ended September 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Money manager fees	\$ 171,300	\$ 174,889	\$ (3,589)
Impairment loss	-	141,000	(141,000)
Consultancy fees	118,300	121,903	(3,603)
Professional fees	85,000	89,970	(4,970)
Money management administration	88,500	84,181	4,319
Contract services	65,000	65,000	-
Salaries and benefits	65,375	59,375	6,000
Loan administration fee	54,000	51,968	2,032
Office supplies	55,600	49,362	6,238
Depreciation	22,000	21,743	257
Trustees' expenses	18,000	18,345	(345)
Audit	14,000	14,000	-
Rent and utilities	14,500	12,323	2,177
	<u>\$ 771,575</u>	<u>\$ 904,059</u>	<u>\$ (132,484)</u>
Total			

See Accompanying Independent Auditors' Report.