

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, 2010 AND 2009

## 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, 2010 and 2009, 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, 2010 and 2009, 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 31 through 33 and schedules of investments and administrative expenses compared to budget presented on pages 34 through 50 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 2010 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 April 25, 2011, 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*

April 25, 2011

## Management's Discussion and Analysis Year Ended September 30, 2010

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, 2010. 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 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.

The assets of MPLT increased in 2009 by \$3,566,633 over the amount at 2008. This increase in assets was due primarily to the increase in fair value of investments beginning in March 2009. But the partial recovery did allow the Trust to regain a substantial portion of the loss occurring in 2008.

- 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.

Total liabilities for 2009 decreased by \$13,721 from 2008 due to decreases in accounts payable and accrued expenses and due to CNMI General Fund of \$30,544 and \$103,131, respectively.

- The above changes resulted in an increase in net assets of \$2,941,273 for 2010, \$3,580,354 for 2009 and a decrease in net assets of \$8,603,780 for 2008.
- 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 2010, 2009 and 2008 were \$5,565,526, \$6,643,905 and \$(4,636,399), respectively.
- The total performance of MPLT for 2010 was 8% as growth was minimal, 2009 was 10% due to the partial recovery from the recession, and 2008 was -6.2% due to the global recession.
- The overall administrative costs decreased in 2010 by 5% or \$38,452. This was due primarily to the decline in money administration expenses, loan administration fees, salaries and benefits, and offices expenses.

The overall administrative costs decreased in 2009 by 11% or \$98,993. This was due primarily to the decline in money management fees, consultancy fees, salaries and benefits, offices expenses and professional fees.

The overall administrative costs increased in 2008 by 43% or \$279,772. This was due primarily to the new costs associated with the administration of the NMHC loans and increases in salaries, office supplies, legal fees and travel.

## **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. The last time the Investment Policy Statement was changed was in 2006 when the asset allocation was amended in order to increase the portion to fixed income and correspondingly reduce the equity allocation. This was done for the purpose of benefiting its income beneficiary, the CNMI General Fund. Due to falling governmental revenues, the CNMI General Fund is suffering a severe cash flow problem and is experiencing difficulty meeting its financial obligations. In recognition of this situation, the MPLT Board made this reallocation decision in order to allow more investment income to be realized and thereby increase its annual distribution to the CNMI General Fund. As part of this plan, P.L.s 10-29 and 12-27 were repealed through the enactment of P.L. 15-48 on March 13, 2007, and more fully discussed in the review of the local investments program. The investment income for 2010, 2009 and 2008 was \$2,345,965, \$2,777,718 and \$3,073,216, respectively.

The distributions to the CNMI General Fund paid for 2010, 2009 and 2008 was \$1,625,996, \$2,013,563 and \$6,319,596, respectively. The cumulative amount distributed to the CNMI General Fund since inception in 1983 has been \$47,724,733. This has occurred while growing the principal fund by \$34,950,780 for the same time-period. The General Fund's annual return for 2010 was 8.02%, 2009 was 10% and 2008 was -6.15%.

The Board of Trustees made one local investment in 2008 as a loan to the Commonwealth Utilities Corporation (CUC) in the amount of \$3,500,000 for three years at an interest rate of 7%. CUC is paying the interest on a monthly basis. In fiscal years 2010 and 2009, \$1,554,654 and \$1,700,000, respectively, was paid on the principal as an offset to the annual CNMI distribution. The balance of \$245,346 will be paid in 2011 by CUC.

The remaining local investment is a loan made to NMHC. NMHC defaulted on this loan 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 \$4,172,000 was recognized by MPLT as of September 30, 2010. Interest on this investment is being recognized based on collections.

**General Fund Condensed Financial Statements Summaries:**

**STATEMENTS OF NET ASSETS**

<u>Assets</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current assets	\$ 1,960,746	\$ 19,474,121	\$ 3,993,000
Other assets, restricted	54,209,128	40,548,730	50,652,080
Notes receivable - noncurrent portion	8,223,427	6,353,679	8,486,883
Capital assets	354,358	333,931	350,571
Total	<u>\$ 64,747,659</u>	<u>\$ 66,710,461</u>	<u>\$ 63,482,534</u>
<b><u>Liabilities and Net Assets</u></b>			
Current liabilities	<u>\$ 104,277</u>	<u>\$ 4,700,928</u>	<u>\$ 4,693,184</u>
Invested in capital assets	354,358	333,931	350,571
Restricted	<u>64,289,024</u>	<u>61,675,602</u>	<u>58,438,779</u>
Net assets	<u>64,643,382</u>	<u>62,009,533</u>	<u>58,789,350</u>
Total	<u>\$ 64,747,659</u>	<u>\$ 66,710,461</u>	<u>\$ 63,482,534</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenues, net	\$ 4,979,814	\$ 5,997,902	\$ (4,109,029)
Operating expenses	(719,969)	(764,156)	(853,621)
Nonoperating income (expenses), net	<u>(1,625,996)</u>	<u>(2,013,563)</u>	<u>(2,819,596)</u>
Change in net assets	2,633,849	3,220,183	(7,782,246)
Beginning net assets	<u>62,009,533</u>	<u>58,789,350</u>	<u>66,571,596</u>
Ending net assets	<u>\$ 64,643,382</u>	<u>\$ 62,009,533</u>	<u>\$ 58,789,350</u>

**STATEMENTS OF CASH FLOWS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities	\$ (2,921,393)	\$ 2,489,569	\$ 1,550,879
Cash flows from noncapital financing activities	(71,342)	(313,563)	1,700,000
Cash flows from capital and related financing activities	(39,595)	(1,622)	(339,089)
Cash flows from investing activities	<u>(14,699,146)</u>	<u>13,637,499</u>	<u>(4,705,535)</u>
Net (decrease) increase in cash and cash equivalents	(17,731,476)	15,811,883	(1,793,745)
Cash and cash equivalents at beginning of year	<u>18,757,809</u>	<u>2,945,926</u>	<u>4,739,671</u>
Cash and cash equivalents at end of year	<u>\$ 1,026,333</u>	<u>\$ 18,757,809</u>	<u>\$ 2,945,926</u>

The statements above are inclusive of amounts due from the Park Fund of \$35,430 that is eliminated in the accompanying financial statements.

### **Capital Assets:**

At September 30, 2010, 2009 and 2008, MPLT had \$354,358, \$333,931, and \$350,571, respectively, in capital assets, net of accumulated depreciation where applicable, including land, leasehold improvements, furniture, fixtures and equipment and vehicles, which represent a net increase in 2010 of \$20,427, a net decrease in 2009 of \$16,640 and a net increase in 2008 of \$324,436. 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 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 2010 was 7.65%, 2009 was 8.8% and 2008 was -6.49%. 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 \$6,022,145. This has been accomplished while distributing \$4,921,588 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 (CDA) 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 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. The last time the Investment Policy Statement was changed was in 2006 when the asset allocation was amended in order to increase the portion to fixed income and correspondingly reduce the equity allocation. The reason for this change was also to grant more investment income and increase the annual available funds for maintenance and development of AMP. Additional investment revenues were deemed necessary to support the debt service on the CDA/AMP loan as the income fund balance was decreasing and MPLT is limited to distributing income only.

**Park Fund Condensed Financial Statements Summaries:**

**STATEMENTS OF NET ASSETS**

<u>Assets</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current assets	\$ 352,124	\$ 1,938,718	\$ 843,165
Other assets, restricted	6,583,591	4,557,372	5,201,873
Notes receivable - noncurrent portion	1,132,843	1,254,243	1,379,643
Total	<u>\$ 8,068,558</u>	<u>\$ 7,750,333</u>	<u>\$ 7,424,681</u>
<b><u>Liabilities and Net Assets</u></b>			
Current liabilities	\$ 46,413	\$ 35,612	\$ 70,131
Restricted principal	7,768,884	7,496,186	7,178,988
Restricted income	253,261	218,535	175,562
Net assets	<u>8,022,145</u>	<u>7,714,721</u>	<u>7,354,550</u>
Total	<u>\$ 8,068,558</u>	<u>\$ 7,750,333</u>	<u>\$ 7,424,681</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 585,712	\$ 646,003	\$ (527,370)
Operating expenses	(71,799)	(66,064)	(75,592)
Nonoperating income (expenses), net	<u>(206,489)</u>	<u>(219,768)</u>	<u>(218,572)</u>
Change in net assets	307,424	360,171	(821,534)
Beginning net assets	<u>7,714,721</u>	<u>7,354,550</u>	<u>8,176,084</u>
Ending net assets	<u>\$ 8,022,145</u>	<u>\$ 7,714,721</u>	<u>\$ 7,354,550</u>

**STATEMENTS OF CASH FLOWS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities	\$ 241,272	\$ 302,255	\$ 271,886
Cash flows from noncapital financing activities	(206,489)	(219,768)	(218,572)
Cash flows from investing activities	<u>(1,632,121)</u>	<u>1,081,699</u>	<u>210,318</u>
Net (decrease) increase in cash and cash equivalents	(1,597,338)	1,164,186	263,632
Cash and cash equivalents at beginning of year	<u>1,783,731</u>	<u>619,545</u>	<u>355,913</u>
Cash and cash equivalents at end of year	<u>\$ 186,393</u>	<u>\$ 1,783,731</u>	<u>\$ 619,545</u>

The statements above are inclusive of amounts due to the General Fund of \$35,430 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 the Covenant. It has been through MPLT's stewardship of the Park Fund assets that the developments in AMP have occurred. The Trustees plan 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 the resulting recession. In 2009, a recovery of investment values began but the outlook for valuation growth moving forward is uncertain. There are many uncertainties as the recovery has been slow and unemployment remains high. 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 U.S. experiences a booming economy once again. The Trust has a long-term time horizon. Accordingly, the Trust is committed to its current investment allocation. Whereas, the Trust 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, 2009 is set forth in the report on the audit of MPLT's financial statements, which is dated June 30, 2010. The Discussion and Analysis explains the major factors impacting the 2009 financial statements. If you have questions about this report or the 2009 or 2008 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, 2010 and 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 1,212,726	\$ 20,541,540
Receivables:		
Notes receivable, current portion	604,538	356,343
Accrued income	400,184	250,135
Other	8,762	6,877
Due from brokers	46,597	199,570
Prepaid expense	4,633	24,593
Total current assets	<u>2,277,440</u>	<u>21,379,058</u>
Other assets:		
Investments	<u>60,792,719</u>	<u>45,106,102</u>
Total other assets	<u>60,792,719</u>	<u>45,106,102</u>
Noncurrent assets:		
Notes receivable, net of current portion and allowance for loan losses	9,356,270	7,607,922
Capital assets (net of accumulated depreciation)	<u>354,358</u>	<u>333,931</u>
Total noncurrent assets	<u>9,710,628</u>	<u>7,941,853</u>
	<u>\$ 72,780,787</u>	<u>\$ 74,427,013</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 32,863	\$ 33,173
Due to CNMI Government	17,741	4,430,390
Due to brokers	59,050	234,134
Accrued expenses	<u>5,606</u>	<u>5,062</u>
Total liabilities	<u>115,260</u>	<u>4,702,759</u>
Commitment and contingency		
Net assets:		
Invested in capital assets	354,358	333,931
Restricted	<u>72,311,169</u>	<u>69,390,323</u>
Total net assets	<u>72,665,527</u>	<u>69,724,254</u>
	<u>\$ 72,780,787</u>	<u>\$ 74,427,013</u>

See accompanying notes to financial statements.

MARIANAS PUBLIC LAND TRUST

Statements of Revenues, Expenses and Changes in Net Assets  
Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Net increase in the fair value of investments	\$ 2,906,547	\$ 3,709,382
Interest income:		
Investments	1,886,841	2,260,415
Notes receivable	388,962	520,821
Other	6,474	675
Dividend income	<u>376,702</u>	<u>324,612</u>
	5,565,526	6,815,905
Less provision for Home Loan Program	<u>-</u>	<u>(172,000)</u>
Operating revenues, net	<u>5,565,526</u>	<u>6,643,905</u>
Operating expenses:		
Money manager fees	179,456	163,991
Consultancy fees	126,780	103,880
Salaries and benefits	86,108	91,410
Money management administration	73,044	75,100
Loan administration fee	72,994	135,246
Office supplies	66,740	72,519
Contract services	66,165	66,950
Professional fees	46,614	38,515
Trustees' expenses	25,202	25,300
Depreciation	19,168	18,262
Audit	15,651	13,288
Rent and utilities	<u>13,846</u>	<u>25,759</u>
Total operating expenses	<u>791,768</u>	<u>830,220</u>
Operating income	<u>4,773,758</u>	<u>5,813,685</u>
Other nonoperating expenses:		
Net contribution to the CNMI General Fund/ American Memorial Park	<u>(1,832,485)</u>	<u>(2,233,331)</u>
Total nonoperating expenses	<u>(1,832,485)</u>	<u>(2,233,331)</u>
Change in net assets	2,941,273	3,580,354
Net assets at beginning of year	<u>69,724,254</u>	<u>66,143,900</u>
Net assets at end of year	<u>\$ 72,665,527</u>	<u>\$ 69,724,254</u>

See accompanying notes to financial statements.

# MARIANAS PUBLIC LAND TRUST

## Statements of Cash Flows Years Ended September 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Cash received from operations	\$ 2,658,367	\$ 3,641,470
Cash payments to suppliers for goods and services	(5,338,488)	(849,646)
Net cash (used for) provided by operating activities	(2,680,121)	2,791,824
Cash flows from noncapital financing activities:		
Net contributions	(277,831)	(533,331)
Net cash used for noncapital financing activities	(277,831)	(533,331)
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(39,595)	(1,622)
Net cash used for capital and related financing activities	(39,595)	(1,622)
Cash flows from investing activities:		
Net (increase) decrease in notes receivable	(3,551,197)	261,965
Net (increase) decrease in restricted assets	(12,780,070)	14,457,233
Net cash (used for) provided by investing activities	(16,331,267)	14,719,198
Net (decrease) increase in cash and cash equivalents	(19,328,814)	16,976,069
Cash and cash equivalents at beginning of year	20,541,540	3,565,471
Cash and cash equivalents at end of year	\$ 1,212,726	\$ 20,541,540
Reconciliation of operating income to net cash (used for) provided by operating activities:		
Operating income	\$ 4,773,758	\$ 5,813,685
Adjustments to reconcile operating income to net cash (used for) provided by operating activities:		
Net increase in fair value of investments	(2,906,547)	(3,709,382)
Depreciation	19,168	18,262
Provision for Home Loan Program	-	172,000
(Increase) decrease in assets:		
Receivable - accrued income	(150,049)	179,398
Other receivable	(1,885)	(4,866)
Due from CNMI Government	-	6,868
Due from brokers	152,973	347,361
Prepaid expense	19,960	(17,781)
Increase (decrease) in liabilities:		
Accounts payable	(310)	(27,652)
Due to CNMI Government	(4,412,649)	(103,131)
Payable to brokers	(175,084)	119,954
Accrued expenses	544	(2,892)
Net cash (used for) provided by operating activities	\$ (2,680,121)	\$ 2,791,824
Supplemental schedule of noncash operating, financing and investing activities:		
Pursuant to Public Law 16-7 (as amended by Public Law 17-7 in fiscal year 2010), MPLT applied \$1,554,654 and \$1,700,000 of the required income distribution to the CNMI General Fund for the years ended September 30, 2010 and 2009, respectively, as repayment of CUC's note receivable.		
Decrease in notes receivable	\$ (1,554,654)	\$ (1,700,000)
Increase in net contribution	1,554,654	1,700,000
	\$ -	\$ -

See accompanying notes to financial statements.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

## (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, 2010 and 2009

## (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, 2010 and 2009, 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, 2010 and 2009, total cash and cash equivalents were \$1,212,726 and \$20,541,540, respectively, and the corresponding bank balances were \$100,296 and \$276,718, respectively. Of the bank balance amount, \$100,296 and \$276,718 are maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance as of September 30, 2010 and 2009, respectively. Bank deposits in the amount of \$96,050 and \$239,034 were FDIC insured as of September 30, 2010 and 2009, respectively. Bank deposits in the amount of \$3,261 and \$-0- were uninsured at September 30, 2010 and 2009, respectively.

At September 30, 2010 and 2009, unrestricted cash and cash equivalents consisted of the following:

	<u>2010</u>	<u>2009</u>
Custodian money market sweep deposits	\$ 1,113,415	\$ 20,302,506
Deposits with federally insured banks	96,050	239,034
Uninsured deposits	<u>3,261</u>	<u>-</u>
	<u>\$ 1,212,726</u>	<u>\$ 20,541,540</u>

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

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

### Cash and Cash Equivalents, Continued

As of September 30, 2010 and 2009, custodian money market sweep deposits of \$1,113,415 and \$20,302,506, respectively, are held and administered by an investment manager subject to Securities Investor Protection Corporation (SIPC) insurance up to \$100,000 with coverage in excess of SIPC provided by a supplemental insurance policy through certain underwriters with a per client aggregate limit of \$1.9 million.

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

### Investments

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, 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. As of September 30, 2009, 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 10%, 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 \$100,000 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, 2010 and 2009

### (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 shall not be considered.
- Shall 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, and not providing any other services, normally provided by separate vendors, to MPLT.
  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, 2010 and 2009

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

#### Investments, Continued

6. Selected firms shall have no outstanding legal judgments or past judgments which 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 shall emphasize quality in security selection and shall avoid risk of large loss through diversification.
- The manager shall emphasize quality in security selection of the specific style hired to manage and shall avoid risk of large loss through diversification within its mandated style.
- The managers shall 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 shall be large enough (round lots) for easy liquidation.

3. Domestic Fixed Income:

- All fixed-income securities held in the portfolio shall 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.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

3. Domestic Fixed Income, Continued:

- No more than 20% of the market value of the fixed income portfolio shall 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, shall not exceed 10% of the market value of the fixed income portfolio.

4. 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.

5. High Yield Local Investments:

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.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

5. High Yield Local Investments, Continued:

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 or 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.
- 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.
- Proposal evaluations for LHY from non-governmental applicants (including autonomous agencies or commissions established by law or initiative) shall include copies or certification of denied applications from at least one CNMI bank or financial institution and the Commonwealth Development Authority which would include the reasons for the denial of the loan applications for the proposing entity or applicant.
- 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.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

5. High Yield Local Investments, Continued:

- 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 the Trust has “available capital”.
- A viable LHY should be able to attract external financing: a proposed LHY funded entirely by the Trust should be limited in size and scope and subjected to close scrutiny.

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.

6. 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.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

6. International (Developed & Emerging Markets) Equities, Continued:

- The manager may enter into foreign exchange contracts on currency, provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio. There may be no direct foreign currency speculation or any related investment activity.

7. International 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.

8. 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 shall 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
Domestic Equities: <i>Large Cap Core</i>	10%	20%	30%	10%	20%	30%
Non U.S. Equities: <i>Developed International</i>	5%	10%	15%	5%	10%	15%
<i>Emerging Markets</i>	0%	5%	10%	0%	5%	10%
Domestic Fixed Income: <i>Core</i>	30%	45%	60%	30%	45%	60%
<i>High Yield</i>	0%	5%	10%	5%	10%	15%
<i>Local High Yield</i>	0%	5%	10%	-	-	-
Non U.S. Fixed Income: <i>International Bonds</i>	0%	10%	20%	0%	10%	20%

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(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 to bring MPLT within the strategic allocation ranges, the Trustees shall 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, 2010 and 2009 (with combining information as of September 30, 2009) are as follows:

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

	<u>General Fund</u>	<u>Park Fund</u>	<u>2010</u>	<u>2009</u>
Mutual funds	\$ 7,573,082	\$ 716,438	\$ 8,289,520	\$ -
<u>Equities:</u>				
Common stock	14,534,739	2,701,202	17,235,941	19,825,486
Exchange traded and closed end funds	339,109	39,212	378,321	-
<u>Fixed Income Securities:</u>				
Mortgage and asset backed securities	10,180,469	931,508	11,111,977	11,109,655
International bonds	404,781	43,751	448,532	-
Corporate bonds	19,571,163	2,019,764	21,590,927	12,448,453
Government obligations	1,605,785	131,716	1,737,501	953,044
Government agencies	-	-	-	769,464
	<u>\$ 54,209,128</u>	<u>\$ 6,583,591</u>	<u>\$ 60,792,719</u>	<u>\$ 45,106,102</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, 2010 and 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>2010</u> <u>Investment Maturities (In Years)</u>				<u>Credit Rating</u>
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>	
Mortgage and asset backed securities	\$ 2,945,731	\$ 12,682	\$ 1,109,518	\$ -	\$ 1,823,531	AAA
Mortgage and asset backed securities Government and Government Sponsored Entity (GSE) Bonds	8,166,246	-	356,248	677,371	7,132,627	No rating
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>	



MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

Investments, Continued

Investment Type	Fair Value	2009 Investment Maturities (In Years)				Credit Rating
		Less Than 1	1 - 5	6 - 10	More Than 10	
Mortgage and asset backed securities	\$ 2,579,341	\$ -	\$ 1,344,575	\$ -	\$ 1,234,766	AAA
Mortgaged and asset backed securities	8,530,314	-	2,705	668,023	7,859,586	No rating
Government and Government Sponsored Entity (GSE) Bonds	1,722,508	-	213,498	1,016,903	492,107	AAA
Corporate bonds	123,985	-	-	123,985	-	AAA
Corporate bonds	410,467	-	5,801	27,299	377,367	AA
Corporate bonds	457,779	-	457,779	-	-	AA+
Corporate bonds	284,672	-	-	10,810	273,862	AA-
Corporate bonds	4,326,421	-	2,010,349	1,576,990	739,082	A
Corporate bonds	1,793,433	-	978,783	340,744	473,906	A+
Corporate bonds	3,323,085	-	1,559,729	1,501,437	261,919	A-
Corporate bonds	524,387	-	323,657	86,788	113,942	BBB
Corporate bonds	927,852	-	344,512	280,312	303,028	BBB+
Corporate bonds	276,372	-	276,372	-	-	BBB-
	<u>\$ 25,280,616</u>	<u>\$ -</u>	<u>\$ 7,517,760</u>	<u>\$ 5,633,291</u>	<u>\$ 12,129,565</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.

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.

# MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

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

### Defined Contribution Plan (DC Plan), Continued

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 2010, 2009 and 2008 were \$86,108, \$91,410 and \$100,212, 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, 2010 and 2009.

### Operating and Non-Operating Revenue and Expenses

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

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

### New Accounting Standards

During fiscal year 2010, MPLT implemented the following pronouncements:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which addresses whether and when intangible assets should be considered capital assets for financial reporting purposes.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(2) Summary of Significant Accounting Policies, Continued

New Accounting Standards, Continued

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is intended to improve how state and local governments report information about derivative instruments - financial arrangements used by governments to manage specific risks or make investments - in their financial statements.
- GASB Technical Bulletin No. 2008-1, *Determining the Annual Required Contribution Adjustment for Postemployment Benefits*, which clarifies the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for calculating the annual required contribution (ARC) adjustment.
- GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code, and establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs.

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

In March 2009, GASB issued 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. The provisions of this statement are effective for periods beginning after June 15, 2010. Management does not believe that the implementation of this statement will have a material effect on the financial statements of MPLT.

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 June 2010, GASB issued Statement No. 59, *Financial Instruments Omnibus*, which updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The provisions of this statement are effective for periods beginning after June 15, 2010. Management has not evaluated the effect that the implementation of this statement will have on the financial statements of MPLT.

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(3) Notes Receivable

	<u>2010</u>	<u>2009</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.	\$ 8,634,619	\$ 8,962,022
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.	143,156	143,156
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	1,800,000
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.	1,252,843	1,374,243
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>-</u>
	14,275,964	12,279,421
Less allowance for loan losses	<u>(4,315,156)</u>	<u>(4,315,156)</u>
	9,960,808	7,964,265
Less current portion	<u>(604,538)</u>	<u>(356,343)</u>
Long-term portion	\$ <u>9,356,270</u>	\$ <u>7,607,922</u>

At September 30, 2010, principal and interest repayments based on the terms of the respective agreements (excluding the assessed allowance) for the following years ending September 30, are as follows:

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(3) Notes Receivable, Continued

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 604,538	\$ 233,850
2012	385,983	235,214
2013	391,352	222,045
2014	396,829	208,768
2015	402,416	195,381
2016 - 2020	2,152,768	735,602
2021 - 2025	1,657,535	499,776
2026 - 2030	1,831,707	325,604
2031 - 2035	2,024,181	133,130
2036	<u>285,499</u>	<u>2,144</u>
	<u>\$ 10,132,808</u>	<u>\$ 2,791,514</u>

The schedule above does not include principal and interest repayments for APLE 501, Inc. 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, 2010 and 2009, is as follows:

	<u>Estimated Useful Lives</u>	<u>Balance at October 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2010</u>
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	<u>46,225</u>	<u>-</u>	<u>-</u>	<u>46,225</u>
		399,973	39,595	(1,502)	438,066
Less accumulated depreciation		<u>(66,042)</u>	<u>(19,168)</u>	<u>1,502</u>	<u>(83,708)</u>
		<u>\$ 333,931</u>	<u>\$ 20,427</u>	<u>\$ -</u>	<u>\$ 354,358</u>
	<u>Estimated Useful Lives</u>	<u>Balance at October 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at September 30, 2009</u>
Land	-	\$ 273,000	\$ -	\$ -	\$ 273,000
Furniture, fixtures and equipment	3 - 10 years	79,126	1,622	-	80,748
Vehicle	3 - 10 years	<u>46,225</u>	<u>-</u>	<u>-</u>	<u>46,225</u>
		398,351	1,622	-	399,973
Less accumulated depreciation		<u>(47,780)</u>	<u>(18,262)</u>	<u>-</u>	<u>(66,042)</u>
		<u>\$ 350,571</u>	<u>\$ (16,640)</u>	<u>\$ -</u>	<u>\$ 333,931</u>

MARIANAS PUBLIC LAND TRUST

Notes to Financial Statements  
September 30, 2010 and 2009

(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, 2010 and 2009, is summarized as follows:

	<u>Principal</u>	<u>Income</u>	<u>2010</u>	<u>2009</u>
<u>General Fund</u>				
Balance at beginning of year, as restated	\$ 61,675,602	\$ -	\$ 61,675,602	\$ 58,438,779
Net increase in the fair value of investments	2,633,849	-	2,633,849	3,392,184
Other operating net income	(20,427)	1,625,996	1,605,569	1,858,202
Transfers	<u>-</u>	<u>(1,625,996)</u>	<u>(1,625,996)</u>	<u>(2,013,563)</u>
Balance at end of year	<u>\$ 64,289,024</u>	<u>\$ -</u>	<u>\$ 64,289,024</u>	<u>\$ 61,675,602</u>
<u>Park Fund</u>				
Balance at beginning of year	\$ 7,496,186	\$ 218,535	\$ 7,714,721	\$ 7,354,550
Net increase in the fair value of investments	272,698	-	272,698	317,198
Other operating net income	-	241,215	241,215	262,741
Transfers	<u>-</u>	<u>(206,489)</u>	<u>(206,489)</u>	<u>(219,768)</u>
Balance at end of year	<u>\$ 7,768,884</u>	<u>\$ 253,261</u>	<u>\$ 8,022,145</u>	<u>\$ 7,714,721</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, 2010 and 2009, MPLT recorded \$1,625,996 and \$2,013,563, respectively, for transfers out to the CNMI general fund, of which \$1,554,654 and \$1,700,000, respectively, was offset against a note receivable from CUC.

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, 2010 and 2009, MPLT recorded \$206,489 and \$219,768, respectively, for transfers out for this purpose.

(7) Risk Management

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

## MARIANAS PUBLIC LAND TRUST

### Notes to Financial Statements September 30, 2010 and 2009

#### (8) Related Parties

Two trustees of MPLT have home loans outstanding of \$114,998 and \$66,281 as of September 30, 2010. One trustee of MPLT had a home loan outstanding of \$120,429 as of September 30, 2009. The home loans were obtained in the ordinary course of business and are classified as notes receivable in the accompanying financial statements.

#### (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 certain Service Released Loans, totaling \$1,672,102, for and on behalf of NMHC in the form of guarantees to certain financial institutions. At September 30, 2010, total contingent liabilities amounted to \$1,360,554.

MARIANAS PUBLIC LAND TRUST

Combining Statement of Net Assets  
September 30, 2010

<u>ASSETS</u>	<u>General Fund</u>	<u>Park Fund</u>	<u>Eliminations</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 1,026,333	\$ 186,393	\$ -	\$ 1,212,726
Receivables:				
Notes, current portion	484,538	120,000	-	604,538
Accrued income	362,544	37,640	-	400,184
Other	8,762	-	-	8,762
Due from other funds	35,430	-	(35,430)	-
Due from brokers	38,506	8,091	-	46,597
Prepaid expense	4,633	-	-	4,633
Total current assets	<u>1,960,746</u>	<u>352,124</u>	<u>(35,430)</u>	<u>2,277,440</u>
Other assets:				
Investments	<u>54,209,128</u>	<u>6,583,591</u>	<u>-</u>	<u>60,792,719</u>
Total other assets	<u>54,209,128</u>	<u>6,583,591</u>	<u>-</u>	<u>60,792,719</u>
Noncurrent assets:				
Notes receivable, net of current portion and allowance for loan losses	8,223,427	1,132,843	-	9,356,270
Capital assets (net of accumulated depreciation)	<u>354,358</u>	<u>-</u>	<u>-</u>	<u>354,358</u>
Total noncurrent assets	<u>8,577,785</u>	<u>1,132,843</u>	<u>-</u>	<u>9,710,628</u>
	<u>\$ 64,747,659</u>	<u>\$ 8,068,558</u>	<u>\$ (35,430)</u>	<u>\$ 72,780,787</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Accounts payable	\$ 31,467	\$ 1,396	\$ -	\$ 32,863
Due to other funds	-	35,430	(35,430)	-
Due to CNMI Government	17,741	-	-	17,741
Due to brokers	49,463	9,587	-	59,050
Accrued expenses	<u>5,606</u>	<u>-</u>	<u>-</u>	<u>5,606</u>
Total liabilities	<u>104,277</u>	<u>46,413</u>	<u>(35,430)</u>	<u>115,260</u>
Net assets:				
Invested in capital assets	354,358	-	-	354,358
Restricted	<u>64,289,024</u>	<u>8,022,145</u>	<u>-</u>	<u>72,311,169</u>
Total net assets	<u>64,643,382</u>	<u>8,022,145</u>	<u>-</u>	<u>72,665,527</u>
	<u>\$ 64,747,659</u>	<u>\$ 8,068,558</u>	<u>\$ (35,430)</u>	<u>\$ 72,780,787</u>

See Accompanying Independent Auditors' Report.



MARIANAS PUBLIC LAND TRUST

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended September 30, 2010

	General Fund	Park Fund	Eliminations	Total
Operating revenues:				
Net increase in the fair value of investments	\$ 2,633,849	\$ 272,698	\$ -	\$ 2,906,547
Interest income:				
Investments	1,706,748	180,093	-	1,886,841
Notes receivable	303,873	85,089	-	388,962
Other	4,720	1,754	-	6,474
Dividend income	330,624	46,078	-	376,702
Operating revenues, net	<u>4,979,814</u>	<u>585,712</u>	<u>-</u>	<u>5,565,526</u>
Operating expenses:				
Money manager fees	159,296	20,160	-	179,456
Consultancy fees	113,892	12,888	-	126,780
Salaries and benefits	76,628	9,480	-	86,108
Money management administration	65,039	8,005	-	73,044
Loan administration fee	72,994	-	-	72,994
Office supplies	59,448	7,292	-	66,740
Contract services	58,887	7,278	-	66,165
Professional fees	46,614	-	-	46,614
Trustees' expenses	22,422	2,780	-	25,202
Depreciation	19,168	-	-	19,168
Audit	13,158	2,493	-	15,651
Rent and utilities	12,423	1,423	-	13,846
Total operating expenses	<u>719,969</u>	<u>71,799</u>	<u>-</u>	<u>791,768</u>
Operating income	<u>4,259,845</u>	<u>513,913</u>	<u>-</u>	<u>4,773,758</u>
Other nonoperating expenses:				
Net contribution to the CNMI General Fund/American Memorial Park	<u>(1,625,996)</u>	<u>(206,489)</u>	<u>-</u>	<u>(1,832,485)</u>
Total nonoperating expenses	<u>(1,625,996)</u>	<u>(206,489)</u>	<u>-</u>	<u>(1,832,485)</u>
Change in net assets	2,633,849	307,424	-	2,941,273
Net assets at beginning of year	<u>62,009,533</u>	<u>7,714,721</u>	<u>-</u>	<u>69,724,254</u>
Net assets at end of year	<u>\$ 64,643,382</u>	<u>\$ 8,022,145</u>	<u>\$ -</u>	<u>\$ 72,665,527</u>

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

Combining Statement of Cash Flows  
Year Ended September 30, 2010

	General Fund	Park Fund	Eliminations	Total
Cash flows from operating activities:				
Cash received from operations	\$ 2,356,099	\$ 302,268	\$ -	\$ 2,658,367
Cash payments to suppliers for goods and services	<u>(5,277,492)</u>	<u>(60,996)</u>	<u>-</u>	<u>(5,338,488)</u>
Net cash (used for) provided by operating activities	<u>(2,921,393)</u>	<u>241,272</u>	<u>-</u>	<u>(2,680,121)</u>
Cash flows from noncapital financing activities:				
Net contribution	<u>(71,342)</u>	<u>(206,489)</u>	<u>-</u>	<u>(277,831)</u>
Net cash used for noncapital financing activities	<u>(71,342)</u>	<u>(206,489)</u>	<u>-</u>	<u>(277,831)</u>
Cash flows from capital and related financing activities:				
Acquisition of property and equipment	<u>(39,595)</u>	<u>-</u>	<u>-</u>	<u>(39,595)</u>
Net cash used for capital and related financing activities	<u>(39,595)</u>	<u>-</u>	<u>-</u>	<u>(39,595)</u>
Cash flows from investing activities:				
Net (increase) decrease in notes receivable	(3,672,597)	121,400	-	(3,551,197)
Net increase in restricted assets	<u>(11,026,549)</u>	<u>(1,753,521)</u>	<u>-</u>	<u>(12,780,070)</u>
Net cash used for investing activities	<u>(14,699,146)</u>	<u>(1,632,121)</u>	<u>-</u>	<u>(16,331,267)</u>
Net decrease in cash and cash equivalents	(17,731,476)	(1,597,338)	-	(19,328,814)
Cash and cash equivalents at beginning of year	<u>18,757,809</u>	<u>1,783,731</u>	<u>-</u>	<u>20,541,540</u>
Cash and cash equivalents at end of year	<u>\$ 1,026,333</u>	<u>\$ 186,393</u>	<u>\$ -</u>	<u>\$ 1,212,726</u>
Reconciliation of operating income to net cash (used for) provided by operating activities:				
Operating income	\$ 4,259,845	\$ 513,913	\$ -	\$ 4,773,758
Adjustments to reconcile operating income to net cash (used for) provided by operating activities:				
Net increase in fair value of investments	(2,633,849)	(272,698)	-	(2,906,547)
Depreciation	19,168	-	-	19,168
(Increase) decrease in assets:				
Receivable - accrued income	(134,000)	(16,049)	-	(150,049)
Other receivable	(1,885)	-	-	(1,885)
Due from other funds	(1,649)	-	1,649	-
Due from brokers	147,668	5,305	-	152,973
Prepaid expense	19,960	-	-	19,960
Increase (decrease) in liabilities:				
Accounts payable	125	(435)	-	(310)
Due to other funds	-	1,649	(1,649)	-
Due to CNMI Government	(4,412,649)	-	-	(4,412,649)
Payable to brokers	(184,671)	9,587	-	(175,084)
Accrued expenses	<u>544</u>	<u>-</u>	<u>-</u>	<u>544</u>
Net cash (used for) provided by operating activities	<u>\$ (2,921,393)</u>	<u>\$ 241,272</u>	<u>\$ -</u>	<u>\$ (2,680,121)</u>
Supplemental schedule of noncash operating, financing and investing activities:				
Pursuant to Public Law 16-7 (as amended by Public Law 17-7), MPLT applied the \$1,554,654 required income distribution to the CNMI General Fund for the year ended September 30, 2010 as repayment of CUC's note receivable.				
Decrease in notes receivable	\$ (1,554,654)	\$ -	\$ -	\$ (1,554,654)
Increase in net contribution	<u>1,554,654</u>	<u>-</u>	<u>-</u>	<u>1,554,654</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

<b>Mutual Funds</b>	<u>Cost</u>	<u>Fair Value</u>
PIMCO Foreign Bond (Unhedged) Fund Inst'l Class	\$ 6,783,576	\$ 7,450,122
PIMCO Foreign Bond (Unhedged) Fund Inst'l Class	112,180	122,960
<b>Total Mutual Funds - PIMCO</b>	<u>6,895,756</u>	<u>7,573,082</u>
<b>Equities</b>		
<b>Common Stock</b>		
Amazon Com Inc	91,246	94,236
American Tower Corp	99,251	112,772
Apple Inc	125,536	358,944
AT&T Inc	86,102	88,660
Bank of America Corp	75,930	58,959
Boeing Co	180,733	179,658
Capital One Finl Corp	73,223	87,010
Celgene Corp	42,086	57,610
Cisco Sys Inc	200,357	208,050
DirecTV	176,468	220,639
Dow Chemical Co	98,574	93,364
E I Du Pont De Nemours & Co	165,245	178,480
Express Scripts Inc	139,095	175,320
Ford Motor Company	157,303	141,984
Goldman Sachs Group Inc	117,629	111,905
Google Inc	247,839	279,720
Hewlett Packard Co	164,650	147,245
Intl Business Machines Corp	193,255	228,038
JPMorgan Chase & Co	291,243	235,972
Las Vegas Sands Corp	58,591	62,730
McDonalds Corp	80,544	81,961
Medco Health Solutions Inc	56,043	62,472
Merck & Co Inc	144,144	147,240
Metlife Inc	118,649	111,505
Netflix Inc	61,938	64,864
Occidental Petroleum Corp	137,195	140,940
Oracle Corp	204,962	238,965
Peabody Energy Corp	144,445	156,832
Philip Morris Intl Inc	86,152	89,632
Precision Castparts Corp	78,339	89,145
Salesforce.com Inc	44,039	67,080
Schlumberger Ltd	118,514	123,220
Starwood Hotels & Resorts Worldwide Inc	60,964	63,060
Teva Pharmaceutical Inds Ltd	190,472	168,800
3M Company	164,928	173,420
Union Pacific Corp	106,569	163,600
United Parcel Service	116,973	120,042
United Technologies Corp	92,357	121,091
Vale S A Spon Adr	63,665	71,921
Visa Inc Com	61,262	59,408
Walt Disney Co	112,272	112,540
<b>Subtotal - Atalanta Sosnoff</b>	<u>5,028,782</u>	<u>5,549,034</u>
ABB Ltd Spons Adr	121,193	119,856
Allianz SE Adr	78,824	55,370
America Movil S.A.B. De Cv	54,240	55,463
Anheuser-Busch Inbev Spons Adr	62,389	74,965
Atlas Copco Ab Spon Adr	39,610	69,806
Axa S.A. Spons Adr	96,170	59,353
Banco Bilbao Vizcaya-Sp Adr	105,440	76,984
Barclays Plc-Adr	120,008	81,112
Bayer A G Sponsored Adr	78,053	72,108
BG Group Plc Spon Adr	100,929	106,976

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value
<b>Common Stock, Continued</b>		
BP Plc Spons Adr	127,904	91,603
BHP Billiton Ltd Spons Adr	118,693	152,258
BNP Paribas Spon Adr	127,602	113,408
British American Tobacco Plc Adr	72,270	79,940
CNOOC Ltd Spons Adr	40,675	56,347
Canon Inc Adr	92,100	107,456
China Life Insurance Co Ltd-Sponsored Adr	53,834	53,829
Credit Suisse Group Adr	88,111	77,034
DBS Group Hldg Ltd Sp Adr	104,083	100,686
E. On AG Spons Adr	172,059	94,644
Esprit Hldgs Spon Adr	35,595	27,558
GDF Suez - Eur	52,601	32,669
Glaxosmithkline Plc Sp Adr	70,368	64,615
HSBC Hldg Plc Sp Adr	151,325	151,062
Honda Motor Co. Ltd. Adr	65,583	81,501
Imperial Tobacco Group Plc Sponsored Adr	54,118	55,242
Ing Groep NV Spons Adr	167,579	127,853
Komatsu Ltd Adr	72,793	92,900
Kubota Ltd Adr	61,338	70,487
LVMH Moet Hennessy Louis Vuitton, Paris-Eur Adr	39,923	74,078
Lafarge Spons Adr New Lafarge Coppee	166,593	89,170
Marks & Spencer Group Plc Sponsored Adr	50,645	59,339
Mitsubishi Corp Spons Adr	139,912	148,459
Mitsubishi Est Co Ltd Adr	60,839	48,900
Mitsubishi UFJ Financial Group Inc Adr	73,988	57,690
Nestle S A Sponsored Adr	143,409	179,525
Nidec Corporation Spon Adr	41,571	49,729
Nintendo Co Ltd Adr	73,231	57,408
Nomura Holdings Inc Adr	34,248	24,995
Novartis AG Adr	99,845	116,782
Petroleo Brasileiro SA Petrobras	32,985	25,752
Prudential Plc Adr	50,349	64,040
Reed Elsevier NV	68,437	64,562
Rio Tinto Plc - Gbp	91,469	126,504
Roche Hldg Ltd. Spon Adr	108,845	88,567
Royal Dutch Shell Plc Adr	115,773	105,224
Sanofi-Aventis Spons Adr	97,656	86,284
Sap AG Spons Adr	95,602	96,401
Siemens AG Spons Adr	122,691	125,426
Societe Generale Spon Adr	78,404	77,662
Sony Corp Spon Adr	72,337	60,603
Taiwan Semiconductor Mfg Co Ltd Adr	55,511	55,831
Telefonica S.A. Spon Adr	129,976	114,191
Tesco Plc Sponsored Adr	140,390	135,509
Teva Pharmaceutical Inds Ltd Adr	50,487	58,289
Total S.A. Spons Adr	177,977	145,254
Toyota Motor Corp Adr	104,424	84,107
Unilever NV NY SHS	53,926	59,013
Vale S A Spon Adr	62,383	80,989
Vodafone Group Plc Spons Adr	170,977	160,967
Volkswagen A G Sponsored Adr	51,695	66,874
WPP Plc Adr	66,233	82,948
Wolters Kluwer N V Sp Adr	69,660	64,692
Xstrata Plc Adr	55,283	68,561
Zurich Fincl Svcs Spon Adr	94,044	91,765
<b>Subtotal - JP Morgan</b>	<b>5,727,205</b>	<b>5,499,175</b>
America Movil S.A.B De CV	42,864	52,690
Anglogold Ashanti Ltd	22,685	25,108

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value
<b>Common Stock, Continued</b>		
Anglo Platinum Ltd	11,715	10,246
Banco Bradesco Spons Adr	11,076	11,922
Brasil Telecom S A	10,001	6,352
Brasil Telecom SA Adr	4,401	2,276
BRF - Brasil Foods S A Adr	12,808	15,841
China Life Insurance Co Ltd	49,457	45,859
China Petroleum & Chem Adr	21,904	23,306
China Unicom Hong Kong Ltd	18,612	20,180
Chungwa Telecomco Ltd	12,123	14,349
CNOOC Ltd Spons Adr	31,514	43,717
Companhia Bebidas Das Amers	12,432	18,051
Companhia Energetica De Minas	15,031	17,914
Credicorp Ltd	9,925	14,579
CTRIIP.com International Ltd	16,020	22,777
Empresa Nacional De Electricidad Chile	12,101	13,670
Fomento Economico Mexicano S.A.B. De CV	16,819	18,922
Gazprom OAO Spons Adr	32,795	30,147
Gerdau SA Spons Adr	17,340	16,972
Grupo Televisa SA De CV	4,460	4,465
Hon Hai Precision	76,643	73,333
Huaneng Power Intl	29,544	27,781
Icici Bank Ltd	23,631	30,309
Infosys Technologie Sp Adr	17,148	23,155
Itau Unibanco Banco Hldg	65,051	77,569
JSC MMC Norilsk Nickel JSC	11,509	14,916
K B Financial Group Inc	50,989	46,900
Las Vegas Sands Corp	15,838	30,494
Lukoil Oil Spons Adr	25,141	26,252
Mechel OAO Spons Adr	11,800	13,919
Melco Crown Entertainment Ltd	56,157	51,729
Mobile Telesystems OJSC	23,554	25,688
MTN Group Ltd	20,333	22,570
Naspers Ltd Spon Adr	23,407	32,043
Petroleo Brasileiro SA Adr	48,893	41,616
Petroleo Brasileiro SA Petrobras	39,159	32,208
Posco Spon Adr	40,572	44,794
Reliance Inds Ltd	34,657	33,615
Rosneft Oil Co OAO	31,892	26,114
Samsung Electrs Ltd	57,089	59,625
Sasol Ltd Spons Adr	10,377	12,496
Shinhan Financial Grp Co Ltd	40,562	40,564
SK Telecom Ltd	18,558	18,606
Standard Bank Group	36,466	39,971
Southern Copper Corp	19,573	22,477
Taiwan Semiconductor Mfg Co Ltd	21,908	21,416
Teva Pharmaceutical Inds Ltd	10,179	10,655
Vale S A Spon Adr	83,149	103,191
Vimpelcom Ltd	23,347	20,166
Vivo Participacoes SA Adr	13,519	13,748
Wynn Resorts Ltd	19,210	24,990
Yanzhou Coal Mining Co Ltd	26,548	35,288
<b>Subtotal - Newgate</b>	<b>1,412,486</b>	<b>1,527,541</b>
Advanced Semiconductor	33,659	37,763
AKBank Turk Anonim Sirketi	31,994	43,993
America Movil S.A.B De CV	51,402	62,876
Banco DO Brasil SA	54,167	62,151
Banco Macro S.A.	23,865	41,823
Bank Mandiri TBK	18,426	29,446

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value	
<b>Common Stock, Continued</b>			
China Constru Bk Corp	35,413	37,713	
Cielo SA Sponsored	57,405	58,680	
Commercial Intl Bk	48,416	72,393	
Companhia Siderurgica Nacional	33,653	41,701	
Companhia Energetica De Minas	44,132	50,743	
Desarrolladora Homex S.A. De C.V.	38,355	35,963	
Fomenta Economico Mexicano S.A.B. De CV	36,958	41,193	
Grupo Televisa SA De CV	36,790	38,843	
Infosys Technologie Sp Adr	31,632	43,146	
Israel Chemicals Ltd - ILS	45,424	53,984	
Kimberly Clarke De Mex SA	28,987	46,182	
KOC Holding AS	34,143	60,960	
Kumba Iron Ore	30,512	48,411	
Lukoil Oil Spons Adr	40,139	41,334	
Massmart Hldgs	20,681	37,701	
Mobile Telesystems OJSC	35,375	38,532	
Murray & Roberts Hldg Ltd.	30,023	25,389	
Nedbank Group Ltd	33,681	46,205	
Netease.com Inc	39,244	36,837	
Oriflmae Cosmetics	33,291	44,196	
Philippine Long Distance Tel Co	51,840	57,346	
Pretoria Portland	29,816	30,946	
PT Telekomunakasi Indonesia	38,774	45,791	
Sanlam Ltd	34,317	47,819	
Semen Gresik	38,637	48,608	
Shinhan Financial Grp Co Ltd	67,232	67,325	
Shoprite Holdings	22,908	38,353	
Standard Bank Group	32,764	41,310	
Taiwan Semiconductor Mfg Co Ltd	71,959	70,027	
Tiger Brands Ltd	27,584	36,566	
Turkcell Iletism Hizmet	62,506	64,761	
Ultrapar Participacoes S A	25,615	35,863	
United Tractors	43,197	61,334	
Usiminas SA Pfd	61,931	62,632	
Vale S A Spon Adr	62,055	72,150	
<b>Subtotal - Lazard</b>	<u>1,618,902</u>	<u>1,958,989</u>	
<b>Total Common Stock</b>	<u>13,787,375</u>	<u>14,534,739</u>	
<b>Exchange Traded and Closed End Funds</b>			
Ipath MSCI India ETN	16,350	20,304	
Global X China Financials ETF	108,916	107,874	
Global X China Industrials ETF	26,780	27,665	
Global X China Materials ETF	59,152	67,522	
Ishares MSCI South Korea	25,468	29,901	
Ishares MSCI Taiwan	38,548	42,845	
Ishares MSCI Turkey	31,842	42,998	
<b>Total Exchange Traded and Closed End Funds - Newgate</b>	<u>307,056</u>	<u>339,109</u>	
<b>Total Equities</b>	<u>14,094,431</u>	<u>14,873,848</u>	
<b>Fixed Income Securities</b>			<b>Ratings</b>
<b>Mortgage and Asset Backed Securities</b>			
CS First Boston Mortg SEC Corp @ 6.133%, due 03/15/12	384,331	394,541	AAA
FHLMC PL#A39210 @ 5.500%, due 10/01/35	619,897	648,038	no rating
FHLMC PL#A47758 @ 5.000%, due 11/01/35	517,433	575,941	no rating
FHLMC PL#A87388 @ 5.000%, due 07/01/39	344,205	354,864	no rating
FHLMC PL#A93614 @ 4.500%, due 08/01/40	564,519	560,861	no rating

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Mortgage and Asset Backed Securities, Continued</b>			
FHLMC PL#E20222 @ 6.500%, due 02/01/11	1,980	382	no rating
FHLMC PL#G11736 @ 5.000%, due 04/01/20	48,473	51,219	no rating
FHLMC PL#G12213 @ 5.500%, due 03/01/21	115,905	130,803	no rating
FHLMC PL#G12580 @ 5.000%, due 09/01/21	137,322	143,981	no rating
FHLMC PL#G13174 @ 5.000%, due 06/01/23	330,331	329,252	no rating
FHLMC PL#G13833 @ 4.500%, due 05/01/25	838,082	832,196	no rating
FNMA PL#603265 @ 5.500%, due 09/01/16	12,613	12,964	no rating
FNMA PL#739168 @ 5.500%, due 09/01/18	16,537	15,401	no rating
FNMA PL#743002 @ 5.500%, due 10/01/18	21,036	13,393	no rating
FNMA PL#745506 @ 5.849%, due 02/01/16	439,733	499,466	no rating
FNMA PL#889970 @ 5.000%, due 12/01/36	249,066	251,233	no rating
FNMA PL#904529 @ 6.500%, due 01/01/37	429,618	451,297	no rating
FNMA PL#922270 @ 5.500%, due 12/01/36	650,105	696,161	no rating
FNMA PL#942285 @ 6.000%, due 08/01/37	197,404	208,119	no rating
FNMA PL#966123 @ 6.000%, due 10/01/37	719,294	746,278	no rating
FNMA PL#AA9592 @ 6.000%, due 01/01/39	356,095	363,438	no rating
FNMA PL#AC5849 @ 5.000%, due 05/01/40	254,042	256,182	no rating
Freddie Mac Reference Remic @ 5.125%, due 12/15/13	362,418	355,763	no rating
GE Capital Commercial Mtg Corp @ 6.531%, due 3/15/11	250,658	252,383	AAA
Greenwich Cap Coml Fdg Corp @ 4.305%, due 08/10/42	276,192	292,830	AAA
JP Morgan Chase Coml Mtg Secs @ 4.625%, due 03/15/46	93,113	97,617	AAA
LBUBS Commercial Mtg Trust @ 4.830%, due 11/15/27	248,797	257,176	AAA
LB-UBS Commercial Mortgage Tr @ 5.124%, due 11/15/32	153,801	169,133	AAA
L-UBS Commercial Mtg Trust @ 5.594%, due 06/15/31	178,719	185,766	AAA
Morgan Stanley Capital I @ 4.970%, due 12/15/41	323,824	323,670	AAA
Salomon Bros Mtg Sec VII @ 6.499%, due 10/13/11	112,481	118,056	AAA
Wachovia Bk Coml Mtg Tr @ 4.980%, due 10/15/12	142,266	159,025	AAA
Wachovia Bank Comm Mort Trust @ 4.748%, due 02/15/41	384,913	433,040	AAA
<b>Total Mortgage and Asset Backed Securities - Richmond</b>	<b>9,775,203</b>	<b>10,180,469</b>	
<b>Government and Government Sponsored Entity (GSE) Bonds</b>			
U.S. Treasury Bonds @ 6.625%, due 02/15/27	581,291	649,409	AAA
U.S. Treasury Bonds @ 4.750%, due 02/15/37	873,412	956,376	AAA
<b>Total Government and GSE Bonds - Richmond</b>	<b>1,454,703</b>	<b>1,605,785</b>	
<b>International Bonds</b>			
BP Cap Mkts @ 1.550%, due 08/11/11	245,700	260,712	A
<b>Total International Bonds - Richmond</b>	<b>245,700</b>	<b>260,712</b>	
Royal Carribean Cruises @ 6.875%, due 12/01/13	33,950	36,838	BB-
Videotron Ltee @ 6.875%, due 01/15/14	35,350	35,525	BB-
Compagnie Generale @ 7.500%, due 05/15/15	34,850	35,612	BB-
Quebecor Media Inc. @ 7.750%, due 03/15/16	34,909	36,094	B
<b>Total International Bonds - Seix</b>	<b>139,059</b>	<b>144,069</b>	
<b>Corporate Bonds</b>			
Aetna Inc. @ 5.750%, due 06/15/11	149,837	155,148	A-
Abbott Laboratories @ 5.875%, due 05/15/16	155,656	186,251	AA
Aflac Inc @ 8.500%, due 05/15/19	114,700	139,968	A-
Allstate Corp. @ 5.000%, due 08/15/14	211,292	245,170	A-
American Express @ 4.875%, due 07/15/13	141,134	156,884	BBB+
American Express @ 7.300%, due 08/20/13	140,059	160,920	BBB+
Anheuser Busch Cos I @ 6.750%, due 12/15/27	103,405	117,090	BBB+
Apache Corp @ 5.100%, due 09/01/40	70,391	70,423	A-
Archer Daniels Midland Co @ 8.375%, due 04/15/17	256,168	276,217	A
AT&T Inc @ 6.400%, due 05/15/38	90,409	102,861	A
Bank of America Corp Global @ 4.875%, due 09/15/12	391,204	422,416	A

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Bank New York Co Inc @ 4.950%, due 03/15/15	149,116	173,147	A+
BB&T Corp @ 4.750%, due 10/01/12	100,388	111,193	A-
BB&T Corp @ 5.200%, due 12/23/15	142,415	165,020	A-
Bear Stearns Co Inc @ 5.700%, due 11/15/14	210,241	225,508	A+
Becton Dickinson & Co @ 7.000%, due 08/01/27	138,943	162,916	AA-
Berkshire Hathaway Inc @ 5.400%, due 05/15/18	174,431	188,663	AA+
Bestfoods Inc @ 6.625%, due 04/15/28	102,110	125,742	A+
Boeing Co @ 7.250%, due 06/15/25	55,411	65,553	A
Burlington Northern SA @ 5.900%, due 07/01/12	239,076	243,362	BBB+
Burlington Northern Santa Fe @ 6.150%, due 05/01/37	47,853	57,272	BBB+
Campbell Soup Co Global Notes @ 8.875%, due 05/01/21	85,919	102,460	A
Caterpillar Inc @ 7.900%, due 12/15/18	262,274	281,175	A
Charles Schwab Corp @ 4.950%, due 06/01/14	465,398	477,726	A
Chubb Corp. @ 5.750%, due 05/15/18	194,188	219,883	A+
CitiGroup Inc @ 5.500%, due 04/11/13	57,340	64,507	A
CitiGroup Inc @ 6.125%, due 11/21/17	103,092	125,620	A
Coca-Cola Enterprises @ 8.500%, due 02/01/22	158,408	178,067	A
Cooper US Fin Inc @ 6.100%, due 07/01/17	181,107	212,269	A
Conoco Inc. @ 6.950%, due 04/15/29	103,506	122,076	A
Consolidated Nat Gas @ 6.250%, due 11/01/11	110,301	116,004	A-
CSX Corporation @ 6.300%, due 03/15/12	136,187	144,731	BBB-
Dover Corporation @ 6.500%, due 02/15/11	275,572	281,119	A
Dover Corporation @ 6.600%, due 03/15/38	73,649	90,129	A
Duke Energy Corp. @ 7.000%, due 11/15/18	255,864	280,799	A
Du Pont E I De Nemou @ 6.000%, due 07/15/18	266,232	289,087	A
Eaton Corp. @ 5.600%, due 05/15/18	158,736	185,507	A-
Equitable Cos Inc. @ 7.000%, due 04/01/28	144,775	149,755	A
Federal Express Corp Debs @ 9.650%, due 06/15/12	64,097	67,964	BBB
FPL Group Capital Inc. @ 7.875%, due 12/15/15	110,000	137,066	BBB+
Florida Power Corp @ 5.800%, due 09/15/17	100,082	119,041	A-
General Dynamics Corp @ 4.250%, due 05/15/13	141,458	163,113	A
General Elec Cap Corp @ 4.875%, due 10/21/10	59,832	60,118	AA+
General Electric Capital Corp @ 5.250%, due 10/19/12	369,200	376,828	AA+
Goldman Sachs Group Inc. @ 6.600%, due 01/15/12	66,656	69,276	A
Goldman Sachs Group @ 5.150%, due 01/15/14	194,473	222,523	A
Goldman Sachs Group @ 6.000%, due 06/15/20	260,280	274,972	A
Grand Met Invt Corp. @ 9.000%, due 08/15/11	173,893	181,166	A-
Halliburton Co @ 5.900%, due 09/15/18	60,642	69,928	A
Hersheys Food Corp @ 4.850%, due 08/15/15	230,628	269,635	A
Home Depot Inc Global @ 5.400%, due 03/01/16	98,335	113,859	BBB+
Honeywell Intl Inc @ 5.400%, due 03/15/16	193,760	234,738	A
IBM Corp @ 4.750%, due 11/29/12	94,566	108,732	A+
JP Morgan Chase & Co @ 5.375%, due 01/15/14	196,180	220,928	A+
Key Bank N A @ 5.700%, due 08/15/12	25,346	26,438	BBB+
Key Bank NA @ 4.950%, due 09/15/15	93,610	106,212	BBB+
Kimberly Clark Corp @ 5.625% due 02/15/12	164,510	175,410	A
Kimberly Clark @ 6.625%, due 08/01/37	44,924	58,539	A
Kraft Foods Inc @ 6.125%, due 08/23/18	122,585	147,716	BBB-
Lincoln Natl Corp. @ 6.200%, due 12/15/11	200,946	211,728	A-
Lincoln National Corp @ 8.750%, due 07/01/19	144,810	154,363	A-
McDonald's Corp @ 5.300%, due 03/15/17	163,114	191,212	A
Mellon Funding @ 5.000%, due 12/01/14	124,657	145,262	A+
Merrill Lynch & Co. @ 5.000%, due 02/03/14	70,322	74,560	A
Metlife Inc. @ 6.125%, due 12/01/11	185,925	195,606	A-
Metlife Inc. @ 5.000%, due 06/15/15	77,086	88,784	A-
Metlife Inc. @ 7.717%, due 02/15/19	151,258	165,451	A-
Michigan Bell Tel Co @ 7.850%, due 01/15/22	46,802	50,059	A
Morgan Stanley Dean Witter @ 6.750%, due 04/15/11	45,584	46,349	A
Morgan Stanley Group @ 6.625%, due 04/01/18	287,528	299,336	A

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MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
News America Holding Inc @ 8.500%, due 02/23/25	115,141	126,997	BBB+
Occidental Petroleum Cor @ 4.125%, due 06/01/16	146,964	167,660	A
Ohio Power Co @ 5.750%, due 09/01/13	209,832	234,085	BBB
Pepsi Bottling Group Inc. @ 7.000%, due 03/01/29	53,541	65,979	A
Pfizer Inc @ 6.200%, due 03/15/19	109,889	135,439	AA
Phillips Pete Corp @ 9.375%, due 02/15/11	40,372	41,332	A
PNC Funding Corp @ 5.625%, due 02/01/17	129,006	141,943	A-
Prudential Financial Inc @ 3.625%, due 09/17/12	102,510	103,921	A
Prudential Fin @ 6.100%, due 06/15/17	101,370	106,433	A
Sara Lee Corp @ 6.125%, due 11/01/32	42,180	42,692	BBB
Suntrust Banks Inc. @ 6.000%, due 02/15/26	51,543	48,734	BBB-
Sysco Corporation @ 6.500%, due 08/01/28	101,790	121,441	A+
Travelers Cos Inc @ 5.750%, due 12/15/17	157,454	183,637	A-
Union Pacific Corp @ 7.875%, due 01/15/19	139,005	156,742	BBB
United Parcel Svc Amer Inc @ 8.375%, due 04/01/20	88,494	106,356	AA-
United Technologies Corp @ 6.125%, due 02/01/19	247,322	272,180	A
US Bank NA @ 4.800%, due 04/15/15	174,714	183,919	A+
Verizon New England Inc @ 6.500%, due 09/15/11	96,665	99,886	A
Verizon Communications @ 5.500%, due 02/15/18	74,817	86,300	A
Verizon Communications @ 8.750%, due 11/01/18	149,875	163,286	A
Virginia Electric PO @ 8.875%, due 11/15/38	118,012	144,574	A-
Wachovia Corp. @ 4.875%, due 02/15/14	123,477	138,913	A+
Wachovia Corp @ 6.605%, due 10/01/25	66,904	67,518	A+
Wal-Mart Stores Global @ 4.500%, due 07/01/15	488,006	534,315	AA
Walt Disney Co @ 5.875%, due 12/15/17	90,389	109,714	A
Walt Disney Co @ 6.375%, due 03/01/12	90,803	97,118	A
Wells Fargo Co. @ 6.375%, due 08/01/11	193,962	198,626	A+
Wisc Elec Power @ 6.250%, due 12/01/15	160,646	194,400	A-
Wisconsin Pwr & Lt Co @ 6.375%, due 08/15/37	99,431	122,100	A-
XTO Energy @ 6.500%, due 12/15/18	199,018	210,111	AAA
<b>Total Corporate Bonds - Richmond</b>	<b>14,543,008</b>	<b>16,105,901</b>	
AES Corp @ 8.000%, due 10/15/17	70,792	75,600	BB-
American Gen Fin Corp @ 5.400%, due 12/01/15	63,570	70,035	B
Ameristar Casinos Inc @ 9.250%, due 06/01/14	36,575	37,363	BB-
Autonation, Inc. @ 6.750%, due 04/15/18	40,191	41,000	BB+
Ball Corp @ 6.625%, due 03/15/18	35,525	36,837	BB+
Biomet Inc @ 10.000%, due 10/15/17	37,311	38,631	B-
Case Corp @ 7.250%, due 01/15/16	33,600	37,275	BB+
Chesapeake Energy Co @ 7.250%, due 12/15/18	66,664	70,037	BB
Cimarex Energy Co @ 7.125%, due 05/01/17	33,950	36,750	BB
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	70,812	78,300	B+
Community Health Sys @ 8.875%, due 07/15/15	92,931	95,625	B
Constellation Brands Inc. @ 8.375%, due 12/15/14	62,977	66,225	BB
Corrections Corp of America @ 7.750%, due 06/01/17	74,060	75,250	BB
Crown America Inc @ 7.750%, due 11/15/15	66,300	67,681	BB-
Crown Castle Intl Corp @ 9.000%, due 01/15/15	31,769	33,075	B-
CSC Holdings Inc @ 7.625%, due 07/15/18	30,551	32,325	BB
DirecTV Holdings/Fin @ 6.375%, due 06/15/15	35,745	36,225	BBB-
Dynegy @ 7.500%, due 06/01/15	32,725	27,563	B-
Dynegy Holdings Inc @ 7.750%, due 06/01/19	17,930	15,070	B-
Echostar DBS Corp @ 7.125%, due 02/01/16	105,373	110,381	BB-
Edison Mission Energ @ 8.560%, due 01/02/16	28,276	27,455	B+
El Paso Corp @ 7.000%, due 06/15/17	69,650	74,331	BB-
Energy Transfer Equity LP @ 7.500%, due 10/15/20	70,510	71,570	BB-
First Data Corporation @ 9.875%, due 09/24/15	32,441	28,613	B-
Ford Motor Credit Co @ 7.000%, due 10/01/13	66,425	75,102	B+
Freeport - McMoran Cop @ 8.375%, due 04/01/17	68,939	72,556	BBB-

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1A

Schedule of Investments - General Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Freescale Semiconduc @ 10.125%, due 12/15/16	33,716	36,400	CCC
Frontier Communications @ 8.250%, due 05/01/14	35,782	38,456	BB
Georgia Pac Corp @ 8.125%, due 05/15/11	35,686	36,313	BB
Georgia Pac Corp @ 8.000%, due 01/15/24	34,869	39,287	BB
GMAC LLC @ 6.750%, due 12/01/14	31,680	34,382	B
GMAC LLC @ 8.000%, due 11/01/31	65,187	75,075	B
Harrah's Operating Co Inc @ 11.250%, due 06/01/17	37,245	38,325	B
HCA - The Healthcare C @ 9.250%, due 11/15/16	94,394	97,425	BB-
Health Management @ 6.125%, due 04/15/16	27,975	30,300	BB-
Hertz Corp @ 8.875%, due 01/01/14	35,138	35,919	CCC+
Host Marriott LP @ 6.375%, due 03/15/15	71,625	76,781	BB+
Icahn Enterprises @ 8.000%, due 01/15/18	72,734	73,365	BBB-
International Lease Fin Corp @ 5.625%, due 09/20/13	33,730	37,288	BB+
Iron Mountain Inc @ 8.375%, due 08/15/21	37,861	38,925	B+
Kinder Morgan Inc @ 5.700%, due 01/05/16	62,725	67,031	BB
Leucadia National Corp @ 8.125%, due 09/15/15	34,739	36,550	BB+
Leucadia National Corp @ 7.125%, due 03/15/17	66,843	70,175	BB+
Level 3 Fing Inc @ 8.750%, due 02/15/17	113,195	113,920	CCC
Mediacom Broadband L @ 8.500%, due 10/15/15	35,350	35,788	B-
Mirant North America @ 7.375%, due 12/31/13	39,750	41,200	B-
Newfield Exploration Co @ 7.125%, due 05/15/18	35,350	37,362	BB+
NRG Energy Inc @ 7.375%, due 02/01/16	68,662	72,013	BB-
Omega Healthcare Inv @ 7.000%, due 04/01/14	34,563	35,722	BB+
Paetec Holding Corp @ 8.875%, due 06/30/17	35,350	36,575	B
Penn National Gaming Inc @ 6.750%, due 03/15/15	33,950	35,000	BB-
Penn National Gaming Inc @ 8.750%, due 08/15/19	51,225	53,125	BB-
Pioneer Natural Reso @ 5.875%, due 07/15/16	32,550	36,150	BB+
Qwest Communications @ 7.500%, due 02/15/14	34,643	35,700	B+
Range Resources Corp @ 7.500%, due 05/15/16	35,350	36,575	BB
RRI Energy Co @ 6.750%, due 12/15/14	35,658	35,788	BB-
Silgan Holdings @ 6.750%, due 11/15/13	35,000	35,525	BB-
Smithfield Foods Inc @ 7.750%, due 07/01/17	32,400	40,550	B-
Sprint Cap Corp Company Gty @ 6.900%, due 05/01/19	66,656	75,375	BB-
Stater Bros Hldgs @ 8.125%, due 06/15/12	35,285	35,044	B+
Supervalu Inc @ 8.000%, due 05/01/16	36,231	35,262	B+
Tenet Healthcare Cor @ 9.250%, due 02/01/15	31,212	32,213	CCC+
Terex Corp @ 10.875%, due 06/01/16	32,850	34,237	BB-
Transdigm Inc @ 7.750%, due 07/15/14	65,823	65,731	B-
United Rentals North America @ 9.250%, due 12/15/19	73,642	75,775	B
Windstream Corp @ 8.625%, due 08/01/16	72,422	74,025	B+
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp @ 7.875%, due 05/01/20	33,999	33,960	BB+
<b>Total Corporate Bonds - Seix</b>	<u>3,315,937</u>	<u>3,465,262</u>	
<b>Total Corporate Bonds</b>	<u>17,858,945</u>	<u>19,571,163</u>	
<b>Total Fixed Income Securities</b>	<u>29,473,610</u>	<u>31,762,198</u>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<u>\$ 50,463,797</u>	<u>\$ 54,209,128</u>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

<b>Mutual Funds</b>	<u>Cost</u>	<u>Fair Value</u>
PIMCO Foreign Bond (Unhedged) Fund Inst'l Class	\$ 641,740	\$ 704,806
PIMCO Foreign Bond (Unhedged) Fund Inst'l Class	10,612	11,632
<b>Total Mutual Funds - PIMCO</b>	<u>652,352</u>	<u>716,438</u>
<b>Equities</b>		
<b>Common Stock</b>		
Amazon Com Inc	\$ 30,409	\$ 31,412
American Tower Corp	27,280	30,756
Apple Inc	31,546	93,921
AT&T Inc	22,220	22,880
Bank of America Corp	19,532	15,722
Boeing Co	44,997	46,578
Capital One Finl Corp	16,061	23,730
Celgene Corp	14,511	17,283
Cisco Sys Inc	55,223	56,940
DirecTV	45,598	58,282
Dow Chemical Co	24,234	24,714
E I Du Pont De Nemours & Co	44,533	49,082
Express Scripts Inc	37,305	48,700
Ford Motor Company	39,919	37,944
Goldman Sachs Group Inc	38,805	37,013
Google Inc	63,519	75,714
Hewlett Packard Co	43,009	42,070
Intl Business Machines Corp	51,720	67,070
JPMorgan Chase & Co	67,072	64,702
Las Vegas Sands Corp	16,275	17,425
McDonalds Corp	22,030	22,353
Medco Health Solutions Inc	15,380	15,618
Merck & Co Inc	39,670	40,491
Metlife Inc	32,776	30,760
Netflix Inc	15,484	16,216
Occidental Petroleum Corp	35,210	39,150
Oracle Corp	48,125	56,385
Peabody Energy Corp	40,472	44,109
Philip Morris Intl Inc	21,457	22,408
Precision Castparts Corp	21,719	25,470
Salesforce.com Inc	14,680	22,360
Schlumberger Ltd	32,061	30,805
Starwood Hotels & Resorts Worldwide Inc	15,241	15,765
Teva Pharmaceutical Inds Ltd	52,312	47,475
3M Company	41,075	43,355
Union Pacific Corp	23,096	40,900
United Parcel Service	33,642	33,345
United Technologies Corp	22,854	35,615
Vale S A Spon Adr	17,186	18,762
Visa Inc Com	15,316	14,852
Walt Disney Co	26,972	29,790
<b>Subtotal - Atalanta Sosnoff</b>	<u>1,320,526</u>	<u>1,507,922</u>
ABB Ltd. Spons Adr	17,176	17,530
Allianz SE Adr	11,194	7,967
America Movil S.A.B. De Cv Ser L Spons Adr	7,839	8,000
Anheuser-Busch Inbev Spons Adr	8,830	10,575
Atlas Copco Ab Spons Adr	6,034	10,138
Axa S.A. Spons Adr	12,688	8,516
Banco Bilbao Vizcaya-Sp Adr	15,550	11,148
Barclays Plc-Adr	18,250	11,932
Bayer A G Sponsored Adr	11,204	10,451
B G Group Plc Spon Adr	14,244	15,472

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value
<b>Common Stock, Continued</b>		
BHP Billiton Ltd Spons Adr	15,273	22,133
BNP Paribas Spon Adr	18,291	16,657
BP Plc Spons Adr	18,679	13,380
British American Tobacco Plc Adr	8,873	11,580
CNOOC Ltd Spons Adr	5,657	7,772
Canon Inc Adr	13,095	15,885
China Life Insurance Co Ltd-Sponsored Adr	7,750	7,732
Credit Suisse Group Adr	12,997	11,066
DBS Group Hldg Ltd Sp Adr	14,754	14,114
E.On Ag Spons Adr	22,919	13,584
Esprit Hldgs Spon Adr	5,136	3,992
GDF Suez-Eur	7,323	4,631
Glaxosmithkline Plc Sp Adr	9,781	9,090
HSBC Hldg Plc Sp Adr	24,893	22,007
Honda Motor Co. Ltd. Adr	9,588	11,923
Imperial Tobacco Group Plc Sponsored Adr	7,790	8,019
Ing Groep NV Spons Adr	22,388	15,826
Komatsu Ltd Adr	11,419	13,472
Kubota Ltd Adr	9,056	10,135
Lafarge Spons Adr New Lafarge Coppee	22,191	12,932
LVMH Moet Hennessy Louis Vuitton, Paris-Eur Adr	5,743	10,541
Marks & Spencer Group Plc Sponsored Adr	7,712	8,780
Mitsubishi Corp Spons Adr	22,626	23,167
Mitsubishi Est Co. Ltd Adr	9,238	7,824
Mitsubishi UFJ Financial Group Inc Adr	12,929	9,028
Nestle S A Sponsored Adr	19,610	25,914
Nidec Corporation Spon Adr	6,066	7,231
Nintendo Co Ltd Adr	11,303	8,424
Nomura Holdings Inc Adr	4,590	3,625
Novartis Ag Adr	14,581	17,013
Petroleo Brasileiro SA Petrobras	4,804	3,808
Prudential Plc Adr	7,294	9,277
Reed Elsevier NV	9,689	9,245
Rio Tinto Plc-Gbp	16,401	18,441
Roche Hldg Ltd Spon Adr	14,560	12,799
Royal Dutch Shell Plc Adr	17,026	15,075
Sanofi-Aventis Spons Adr	14,355	12,302
Sap AG Spons Adr	13,616	14,053
Siemens A G Spons Adr	17,704	17,918
Societe Generale Spon Adr	11,357	11,250
Sony Corp Spon Adr	10,273	8,503
Taiwan Semiconductor Mfg Co Ltd Adr	8,049	8,213
Telefonica S.A. Spon Adr	18,892	16,684
Tesco Plc Sponsored Adr	19,169	19,747
Teva Pharmaceutical Inds Ltd Adr	7,531	8,440
Total S.A. Spons Adr	24,403	21,156
Toyota Motor Corp Adr	15,166	12,097
Unilever NV NY Shs	7,782	8,516
Vale S A Spon Adr	9,133	11,726
Vodafone Group Plc Spons Adr	24,215	23,197
Volkswagen A G Sponsored Adr	7,477	9,674
WPP Plc Adr	9,699	11,969
Wolters Kluwer N V Sp Adr	9,596	9,436
Xstrata Plc Adr	8,004	9,925
Zurich Fincl Svcs Spon Adr	12,540	13,193
<b>Subtotal - JP Morgan</b>	<b>823,995</b>	<b>795,850</b>
America Movil S.A.B. De Cv Ser L Spons Adr	4,942	6,080
Anglogold Ashanti Ltd	2,588	2,867

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value
<b>Common Stock, Continued</b>		
Anglo Platinum Ltd	1,290	1,128
Banco Bradesco Spons Adr	1,269	1,365
Brasil Telecom S A	1,147	734
Brasil Telecom SA Adr	486	259
BRF - Brasil Foods S A Adr	1,499	1,848
China Life Insurance Co Ltd-Sponsored Adr	5,773	5,353
China Petroleum & Chem Adr	2,572	2,737
China Unicom Hong Kong Ltd	2,135	2,315
Chungwa Telecomco Ltd	1,401	1,659
CNOOC Ltd Spons Adr	3,451	4,857
Companhia De Bebidas Das Amers	1,448	2,102
Companhia Energetica De Minas	1,747	2,082
Creditcorp Ltd	1,163	1,708
CTRIIP.com International Ltd	1,847	2,626
Empresa Nacional De Electricidad Chile	1,435	1,621
Fomento Economico Mexicano S.A.B. De CV	1,985	2,232
Gazprom OAO Spons Adr	3,806	3,499
Gerdau SA Spons Adr	2,002	1,960
Grupo Televisa SA De CV	510	511
Hon Hai Precision	8,882	8,456
Huaneng Power Intl	3,423	3,219
Icici Bank Ltd	2,721	3,489
Infosys Technologie Sp Adr	1,994	2,692
Itau Unibanco Banco Hldg	7,504	8,947
JSC MMC Norilsk Nickel JSC	1,333	1,729
K B Financial Group Inc	5,702	5,187
Las Vegas Sands Corp	1,828	3,520
Lukoil Oil Spons Adr	2,932	3,062
Mechel OAO Spons Adr	1,372	1,618
Melco Crown Entertainment Ltd	6,494	5,983
Mobile Telesystems OJSC	2,727	2,972
MTN Group Ltd	2,340	2,597
Naspers Ltd Spon Adr	2,681	3,673
Petroleo Brasileiro SA Adr	5,668	4,825
Petroleo Brasileiro SA Petrobras	4,492	3,700
Posco Spon Adr	4,646	5,129
Reliance Inds Ltd	3,988	3,867
Rosneft Oil Co OAO	3,684	3,016
Samsung Electrs Ltd	6,854	7,155
Sasol Ltd Spons Adr	1,227	1,478
Shinhan Financial Grp Co Ltd	4,677	4,677
SK Telecom Ltd	2,143	2,149
Standard Bank Group	4,190	4,594
Southern Copper Corp	2,233	2,564
Taiwan Semiconductor Mfg Co Ltd	2,541	2,484
Teva Pharmaceutical Inds Ltd	1,209	1,266
Vale S A Spon Adr	9,598	11,914
Vimpelcom Ltd	2,707	2,346
Vivo Participacoes SA Adr	1,550	1,576
Wynn Resorts Ltd	2,274	2,950
Yanzhou Coal Mining Co Ltd	3,037	4,045
<b>Subtotal - Newgate</b>	<b>163,147</b>	<b>176,422</b>
Advanced Semiconductor	3,860	4,258
AKBank Turk Anonim Sirketi	3,785	4,965
America Movil S.A.B De CV	6,069	7,093
Banco DO Brasil SA	6,076	7,019
Banco Macro S.A.	2,751	4,721
Bank Mandiri TBK	2,287	3,358

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Equities, Continued	Cost	Fair Value	
<b>Common Stock, Continued</b>			
China Constru Bk Corp	4,075	4,326	
Cielo SA Sponsored	6,475	6,619	
Commercial Intl Bk	5,512	8,164	
Companhia Siderurgica Nacional	3,793	4,700	
Companhia Energetica De Minas	5,008	5,720	
Desarrolladora Homex S.A. De C.V.	4,411	4,046	
Fomenta Economico Mexicano S.A.B. De CV	4,223	4,667	
Grupo Televisa SA De CV	4,176	4,390	
Infosys Technologie Sp Adr	3,530	4,846	
Israel Chemicals Ltd - ILS	5,295	6,093	
Kimberly Clarke De Mex SA	3,348	5,210	
KOC Holding AS	3,958	6,888	
Kumba Iron Ore	3,416	5,437	
Lukoil Oil Spons Adr	4,654	4,650	
Massmart Hldgs	2,353	4,260	
Mobile Telesystems OJSC	4,008	4,352	
Murray & Roberts Hldg Ltd.	3,468	2,862	
Nedbank Group Ltd	3,888	5,214	
Netease.com Inc	4,473	4,141	
Oriflmae Cosmetics	4,007	5,000	
Philippine Long Distance Tel Co	6,126	6,465	
Pretoria Portland	3,465	3,491	
PT Telekomunakasi Indonesia	4,601	5,244	
Sanlam Ltd	4,004	5,392	
Semen Gresik	4,277	5,320	
Shinhan Financial Grp Co Ltd	7,574	7,591	
Shoprite Holdings	2,587	4,332	
Standard Bank Group	3,905	4,658	
Taiwan Semiconductor Mfg Co Ltd	8,096	7,899	
Tiger Brands Ltd	3,176	4,136	
Turkcell Iletism Hizmet	7,164	7,307	
Ultrapar Participacoes S A	2,885	4,039	
United Tractors	5,178	6,929	
Usiminas SA Pfd	7,062	7,075	
Vale S A Spon Adr	6,990	8,131	
<b>Subtotal - Lazard</b>	<u>185,989</u>	<u>221,008</u>	
<b>Total Common Stock</b>	<u>2,493,657</u>	<u>2,701,202</u>	
<b>Exchange Traded and Closed End Funds</b>			
Ipath MSCI India ETN	1,826	2,273	
Global X China Financials ETF	12,580	12,462	
Global X China Industrials ETF	3,102	3,205	
Global X China Materials ETF	6,865	7,807	
Ishares MSCI South Korea	2,962	3,477	
Ishares MSCI Taiwan	4,450	4,946	
Ishares MSCI Turkey	3,727	5,042	
<b>Total Exchange Traded and Closed End Funds - Newgate</b>	<u>35,512</u>	<u>39,212</u>	
<b>Total Equities</b>	<u>2,529,169</u>	<u>2,740,414</u>	
<b>Fixed Income Securities</b>			<b>Ratings</b>
<b>Mortgage and Asset Backed Securities</b>			
Bear Stears Commercial Mort SE @ 5.186%, due 09/11/13	26,578	27,058	AAA
CS First Boston Mortg SEC Corp @ 6.133%, due 03/15/12	46,120	47,345	AAA
FHLMC PL#A39210 @ 5.500%, due 10/01/35	64,573	67,504	no rating
FHLMC PL#A47758 @ 5.000%, due 11/01/35	31,046	34,556	no rating
FHLMC PL#A93614 @ 4.500%, due 08/01/40	31,362	31,159	no rating

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Mortgage and Asset Backed Securities, Continued</b>			
FHLMC PL#E63380 @ 6.500%, due 03/01/11	128	103	no rating
FHLMC PL#A87388 @ 5.000%, due 07/01/39	73,758	76,042	no rating
FHLMC PL#G11736 @ 5.000%, due 04/01/20	24,236	25,609	no rating
FHLMC PL#G13174 @ 5.000%, due 06/01/23	37,342	37,220	no rating
FHLMC PL#G13833 @ 4.500%, due 05/01/25	128,540	127,637	no rating
FNMA PL#603265 @ 5.500%, due 09/01/16	1,892	1,945	no rating
FNMA PL#739168 @ 5.500%, due 09/01/18	2,756	2,567	no rating
FNMA PL#743002 @ 5.500%, due 10/01/18	3,506	2,232	no rating
FNMA PL#745506 @ 5.849%, due 02/01/16	46,288	52,575	no rating
FNMA PL#831831 @ 6.000%, due 09/01/36	23,541	25,153	no rating
FNMA PL#922270 @ 5.500%, due 12/01/36	58,568	62,717	no rating
FNMA PL#966123 @ 6.000%, due 10/01/37	79,922	82,920	no rating
FNMA PL#AC5849 @ 5.000%, due 05/01/40	25,404	25,618	no rating
GE Capital Commercial Mtg Corp @ 6.531%, due 03/15/11	17,067	16,826	AAA
GNMA PL#782379X @ 6.000%, due 08/15/38	12,432	13,457	no rating
Greenwich Cap Commercial Fund @ 4.533%, due 07/05/10	12,021	12,682	AAA
JP Morgan Chase Commer Mtg Sec @ 4.767%, due 03/12/13	29,255	32,002	AAA
L-UBS Commercial Mtg Trust @ 5.594%, due 06/15/31	25,487	26,538	AAA
Morgan Stanley Capital I @ 4.970%, due 12/15/41	33,681	37,761	AAA
Salomon Bros Mtg @ 6.499%, due 10/13/11	46,436	46,379	AAA
Wachovia Bk Coml Mtg Tr @ 4.980%, due 10/15/12	14,142	15,903	AAA
<b>Total Mortgage and Asset Backed Securities - Richmond</b>	<b>896,081</b>	<b>931,508</b>	
<b>Government and Government Sponsored Entity (GSE) Bonds</b>			
U.S. Treasury Bonds @ 6.625%, due 02/15/27	31,264	36,078	AAA
U.S. Treasury Bonds @ 4.750%, due 02/15/37	88,739	95,638	AAA
<b>Total Government and GSE Bonds - Richmond</b>	<b>120,003</b>	<b>131,716</b>	
<b>International Bonds</b>			
BP Cap Mkts @ 1.550%, due 08/11/11	18,900	20,055	A
<b>Total International Bonds - Richmond</b>	<b>18,900</b>	<b>20,055</b>	
Royal Carribean Cruises @ 6.875%, due 12/01/13	5,820	6,315	BB-
Videotron Ltee @ 6.875%, due 01/15/14	5,050	5,075	BB-
Compagnie Generale @ 7.500%, due 05/15/15	5,000	5,087	BB-
Quebecor Media Inc @ 7.750%, due 03/15/16	6,987	7,219	B
<b>Total International Bonds - Seix</b>	<b>22,857</b>	<b>23,696</b>	
<b>Corporate Bonds</b>			
Abbott Laboratories @ 5.875%, due 05/15/16	9,940	12,016	AA
Ace Ina Holdings @ 5.600%, due 05/15/15	10,206	11,343	A-
Aetna Inc Notes @ 5.750%, due 06/15/2011	10,035	10,343	A-
Aflac Inc @ 8.500%, due 05/15/19	10,427	12,724	A-
Allstate Corp @ 5.000%, due 08/15/14	28,813	33,432	A-
American Express Co Notes @ 4.875%, due 07/15/13	9,733	10,820	BBB+
American Express Global @ 6.150%, due 08/28/17	9,974	11,513	BBB+
Apache Corp @ 5.100%, due 09/01/40	5,028	5,030	A-
Atlantic Richfield @ 8.500%, due 04/01/12	5,274	5,379	A
AT&T Broadband Corp @ 9.455%, due 11/15/22	11,911	14,104	BBB+
Bank of America Corp @ 4.875%, due 09/15/12	21,060	21,121	A
Bank of New York Mellon @ 5.450%, due 05/15/19	10,048	11,672	AA-
BB&T Corp. @ 5.200%, due 12/23/15	14,197	16,502	A-
BB&T Corp. @ 4.900%, due 06/30/17	9,314	10,586	A-
Becton Dickinson & Co. @ 7.000%, due 08/01/27	5,297	6,266	AA-
BellSouth Telecommunications @ 6.375%, due 06/01/28	9,113	11,114	A
Berkshire Hathaway Inc @ 5.400%, due 05/15/18	21,143	22,868	AA+
Bestfoods Inc @ 6.625%, due 04/15/28	10,440	12,574	A+

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Boeing Co. @ 7.250%, due 06/15/25	11,082	13,111	A
Burlington Northern Santa Fe @ 6.150%, due 05/01/37	4,785	5,727	BBB+
Campbell Soup Co. @ 8.875%, due 05/01/21	6,137	7,319	A
Capital One Financial Corp @ 5.700%, due 09/15/11	25,915	26,056	BBB
Caterpillar Inc. @ 7.900%, due 12/15/18	13,169	13,389	A
Chubb Corp. @ 6.600%, due 08/15/18	5,044	5,897	A+
Citigroup Inc. @ 5.500%, due 04/11/13	9,557	10,751	A
Coca Cola Enterprises @ 8.500%, due 02/01/22	6,461	7,123	A
Coca Cola Enterprises Inc. @ 6.950%, due 11/15/26	5,633	6,433	A
Cooper US Fin Inc @ 6.100%, due 07/01/17	21,234	23,585	A
Conoco Inc @ 6.950%, due 04/15/29	5,414	6,425	A
ConocoPhillips @ 5.750%, due 02/01/19	4,989	5,998	A
Consolidated Nat Gas @ 6.250%, due 11/01/11	10,027	10,546	A-
Costco Wholesale Cor @ 5.500%, due 03/15/17	20,232	23,757	A+
CSX Corporation @ 6.300%, due 03/15/12	10,049	10,721	BBB-
Deere & Company @ 8.100%, due 05/15/30	12,920	14,002	A
Devon Energy Corp @ 6.300%, due 01/15/19	20,134	24,201	BBB+
Dover Corporation @ 6.500%, due 02/15/11	25,052	25,556	A
Duke Energy Corp. @ 7.000%, due 11/15/18	23,260	25,527	A
Du Pont E I De Nemou @ 6.000%, due 07/15/18	22,186	24,091	A
Eaton Corp. @ 5.600%, due 05/15/18	14,881	17,391	A-
Emerson Electric Co @ 4.875%, due 10/15/19	15,148	17,082	A
Equitable Cos Inc. @ 7.000%, due 04/01/28	9,638	10,697	A
Federal Express Corp @ 9.650%, due 06/15/12	10,683	11,327	BBB
Florida Power Corp 1st Mtg @ 5.800%, due 09/15/17	10,008	11,904	A-
General Dynamics Corp @ 4.250%, due 05/15/13	9,431	10,874	A
General Elec Cap Corp Global @ 5.450%, due 01/15/13	26,022	32,628	AA+
General Elec Capital Corp @ 4.750%, due 09/15/14	4,884	5,465	AA+
Goldman Sachs Group Inc @ 6.600%, due 01/15/12	5,127	5,329	A
Goldman Sachs Group Inc @ 5.625%, due 01/15/17	19,095	21,179	A-
Goldman Sachs Group @ 6.000%, due 06/15/20	5,054	5,499	A
Grand Met Invt Corp @ 9.000%, due 08/15/11	15,495	16,080	A-
Halliburton Co @ 5.900%, due 09/15/18	10,107	11,655	A
Hartford Finl Svcs Grp @ 6.300%, due 03/15/18	15,778	16,200	BBB
Heinz (H.J.) Co. @ 6.375%, due 07/15/28	5,131	5,540	BBB
Hershey Company @ 5.450%, due 09/01/16	15,001	17,323	A
Household Finance Co @ 6.375%, due 10/15/11	20,837	21,062	A
IBM Corp @ 4.750%, due 11/29/12	14,185	16,310	A+
IBM Corp @ 7.000%, due 10/30/25	11,895	13,073	A+
JP Morgan Chase & Co @ 5.375%, due 01/15/14	14,714	16,570	A+
JP Morgan Chase & Co @ 6.300%, due 04/23/19	10,903	11,589	A+
Key Bank N A @ 5.700%, due 08/15/12	5,069	5,288	BBB+
Key Bank NA @ 4.950%, due 09/15/15	14,042	15,932	BBB+
Kimberly Clark @ 6.625%, due 08/01/37	4,992	6,504	A
Kraft Foods Inc. @ 6.125%, due 08/23/18	9,807	11,817	BBB-
Lincoln Natl Corp @ 6.200%, due 12/15/11	15,071	15,880	A-
Lincoln National Corp @ 8.750%, due 07/01/19	12,067	12,864	A-
M & T Bk Corp @ 5.375%, due 05/24/12	23,188	26,468	A-
McDonalds Corp-Reg @ 8.875%, due 04/01/11	25,568	26,017	A
Mellon Funding @ 5.000%, due 12/01/14	9,998	11,174	A+
Merrill Lynch & Co. Inc. @ 5.000%, due 02/03/14	10,049	10,651	A
Metlife Inc. @ 6.125%, due 12/01/11	20,100	21,147	A-
Metlife Inc. @ 5.000%, due 06/15/15	9,636	11,098	A-
Metlife Inc. @ 7.717%, due 02/15/19	11,635	12,727	A-
Morgan Stanley @ 5.375%, due 10/15/15	30,640	32,190	A
News America Holding Inc @ 8.500%, due 02/23/25	11,450	12,700	BBB+
Occidental Petroleum Cor @ 4.125%, due 06/01/16	9,798	11,177	A
Ohio Power Co @ 5.750%, due 09/01/13	14,988	16,720	BBB
Pfizer Inc @ 6.200%, due 03/15/19	22,474	24,625	AA

See Accompanying Independent Auditors' Report.



MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Phillips Pete Corp Notes-Reg @ 9.375%, due 02/15/11	10,093	10,333	A
PNC Funding Corp @ 5.625%, due 02/01/17	9,924	10,919	A-
Prudential Fin @ 6.100%, due 06/15/17	16,006	16,805	A
Sara Lee Corp @ 6.125%, due 11/01/32	5,272	5,337	BBB
Sysco Corporation @ 6.500%, due 08/01/28	10,179	12,144	A+
Travelers Cos Inc @ 5.750%, due 12/15/17	9,772	11,477	A-
Union Pacific Corp @ 7.875%, due 01/15/19	11,140	13,062	BBB
United Parcel Service @ 6.200%, due 01/15/38	10,289	12,327	AA-
United Technologies Corp @ 8.875%, due 11/15/19	12,655	14,230	A
United Technologies Corp @ 6.125%, due 02/01/19	11,242	12,372	A
US Bank NA @ 4.800%, due 04/15/15	4,789	5,573	A+
US Bank NA @ 6.375%, due 08/01/11	20,391	20,952	A+
Verizon Communications @ 5.500%, due 02/15/18	9,976	11,507	A
Verizon Communications @ 8.750%, due 11/01/18	12,490	13,607	A
Verizon New England Inc @ 6.500%, due 09/15/11	10,175	10,514	A
Virginia Electric PO @ 8.875%, due 11/15/38	6,211	7,609	A-
Wal-Mart Stores Global @ 4.500%, due 07/01/15	13,975	17,053	AA
Walt Disney Company @ 5.875%, due 12/15/17	10,043	12,190	A
Walt Disney Company @ 6.375%, due 03/01/12	15,134	16,186	A
Wachovia Corp. @ 4.875%, due 02/15/14	9,424	10,686	A+
Wisconsin Pwr & Lt Co @ 6.375%, due 08/15/37	4,972	6,105	A-
<b>Total Corporate Bonds - Richmond</b>	<b>1,223,974</b>	<b>1,360,366</b>	
AES Corp @ 8.000%, due 10/15/17	7,127	7,560	BB-
American Gen Fin Corp @ 5.400%, due 12/01/15	11,715	12,880	B
Ameristar Casinos Inc @ 9.250%, due 06/01/14	5,225	5,338	BB-
Autonation, Inc. @ 6.750%, due 04/15/18	7,033	7,175	BB+
Ball Corp @ 6.625%, due 03/15/18	6,090	6,315	BB+
Biomet Inc @ 10.000%, due 10/15/17	5,435	5,519	B-
Case Corp @ 7.250%, due 01/15/16	4,850	5,325	BB+
Chesapeake Energy Co @ 7.250%, due 12/15/18	12,309	12,930	BB
CIT Group Funding Company @ 7.000%, due 05/01/15	4,550	4,963	B+
CIT Group Funding Company @ 7.000%, due 05/01/17	12,192	13,702	B+
Cimarex energy Co @ 7.125%, due 05/01/17	7,872	8,400	BB
Community Health Sys @ 8.875%, due 07/15/15	17,708	18,063	B
Constellation Brands Inc @ 8.375%, due 12/15/14	10,511	11,038	BB
Corrections Corp of America @ 7.750%, due 06/01/17	13,716	13,975	BB
Crown America Inc @ 7.750%, due 11/15/15	13,366	13,536	BB-
Crown Castle Intl Corp @ 9.000%, due 01/15/15	5,295	5,513	B-
CSC Holdings Inc @ 7.625%, due 07/15/18	5,150	5,387	BB
DirecTV Holdings/Fin @ 6.375%, due 06/15/15	5,160	5,175	BBB-
Dynegy @ 7.500%, due 06/01/15	7,453	6,300	B-
EchoStar Dbs Corp @ 7.125%, due 02/01/16	20,148	21,025	BB-
Edison Mission Energ @ 7.500%, due 06/15/13	4,673	4,663	B-
Edison Mission Energ @ 8.560%, due 01/02/16	7,110	6,864	B+
El Paso Corp @ 7.000%, due 06/15/17	13,930	14,866	BB-
Energy Transfer Equity LP @ 7.500%, due 10/15/20	13,482	13,682	BB-
First Data Corporation @ 9.875%, due 9/24/15	6,488	5,723	B-
Ford Motor Credit Co @ 7.000%, due 10/01/13	12,345	13,947	B+
Freeport - McMoran Cop @ 8.375%, due 04/01/17	14,073	14,511	BBB-
Freescale Semiconduc @ 10.125%, due 12/15/16	5,900	6,370	CCC
Frontier Communications @ 8.250%, due 05/01/14	7,243	7,691	BB
Georgia Pac Corp @ 8.125%, due 05/15/11	5,098	5,188	BB
Georgia Pac Corp @ 8.000%, due 01/15/24	7,229	7,857	BB
GMAC LLC @ 6.750%, due 12/01/14	5,760	6,251	B
GMAC LLC @ 8.000%, due 11/01/31	13,037	15,015	B
Harras's Operating Co Inc @ 11.250%, due 06/01/17	6,385	6,570	B
HCA - The Healthcare C @ 9.250%, due 11/15/16	18,977	19,485	BB-
Health Management @ 6.125%, due 04/15/16	4,640	5,050	BB-

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 1B

Schedule of Investments - Park Fund  
September 30, 2010

Fixed Income Securities, Continued	Cost	Fair Value	Ratings
<b>Corporate Bonds, Continued</b>			
Hertz Corp @ 8.875%, due 01/01/14	12,163	12,315	CCC+
Host Marriott LP @ 6.375%, due 03/15/15	14,513	15,356	BB+
Icahn Enterprises @ 8.000%, due 01/15/18	13,947	14,070	BBB-
International Lease Fin Corp @ 5.625%, due 09/20/13	6,210	6,869	BB+
Iron Mountain Inc @ 8.375%, due 08/15/21	7,362	7,569	B+
Kinder Morgan Inc @ 5.700%, due 01/05/16	14,400	15,469	BB
Leucadia National Corp @ 8.125%, due 09/15/15	6,105	6,450	BB+
Leucadia National Corp @ 7.125%, due 03/15/17	13,230	14,035	BB+
Level 3 Fing Inc @ 8.750%, due 02/15/17	21,335	21,360	CCC
Mediacom Broadband @ 8.500%, due 10/15/15	8,120	8,180	B-
Mirant North America @ 7.375%, due 12/31/13	7,958	8,240	B-
Newfield Exploration Co @ 7.125%, due 05/15/18	5,100	5,337	BB-
NRG Energy Inc @ 7.375%, due 02/01/16	14,888	15,431	BB-
Omega Healthcare Inv @ 7.000%, due 04/01/14	4,938	5,103	BB+
Paetec Holding Corp @ 8.875%, due 06/30/17	5,050	5,225	B
Penn National Gaming Inc @ 6.750%, due 03/01/15	7,745	8,000	BB-
Penn National Gaming Inc @ 8.750%, due 08/15/19	14,495	14,875	BB-
Pioneer Natural Reso @ 5.875%, due 07/15/16	6,530	7,230	BB+
Qwest Communications @ 7.500%, due 02/15/14	12,020	12,240	B+
Range Resources Corp @ 7.500%, due 05/15/16	5,075	5,225	BB
RRI Energy Co @ 6.750%, due 12/15/14	6,126	6,135	BB-
Silgan Holdings @ 6.750%, due 11/15/13	8,030	8,120	BB-
Smithfield Foods Inc @ 7.750%, due 07/01/17	8,274	10,137	B-
Sprint Cap Corp Company Gty @ 6.900%, due 05/01/19	13,125	15,075	BB-
Stater Bros Hldgs @ 8.125%, due 06/15/12	5,050	5,006	B+
Supervalu Inc @ 8.000%, due 05/01/16	5,088	5,038	B+
Tenet Healthcare Cor @ 9.250%, due 02/01/15	5,203	5,369	CCC+
Terex Corp @ 10.875%, due 06/01/16	6,570	6,848	BB-
Transdigm Inc @ 7.750%, due 07/15/14	12,146	12,135	B-
United Rentals North America @ 9.250%, due 12/15/19	12,519	12,990	B
Windstream Corp @ 8.625%, due 08/01/16	13,326	13,747	B+
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp @ 7.875%, due 05/01/20	6,375	6,367	BB+
<b>Total Corporate Bonds - Seix</b>	<u>632,291</u>	<u>659,398</u>	
<b>Total Corporate Bonds</b>	<u>1,856,265</u>	<u>2,019,764</u>	
<b>Total Fixed Income Securities</b>	<u>2,914,106</u>	<u>3,126,739</u>	
<b>Total Mutual Funds, Equities and Fixed Income Securities</b>	<u>\$ 6,095,627</u>	<u>\$ 6,583,591</u>	

See Accompanying Independent Auditors' Report.

MARIANAS PUBLIC LAND TRUST

SCHEDULE 2

Schedule of Administrative Expenses  
 Compared to Budget  
 Year Ended September 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Money manager fees	\$ 179,550	\$ 179,456	\$ 94
Consultancy fees	128,100	126,780	1,320
Salaries and benefits	92,460	86,108	6,352
Money management administration	83,100	73,044	10,056
Loan administration fee	80,064	72,994	7,070
Office supplies	69,600	66,740	2,860
Contract services	66,151	66,165	(14)
Professional fees	60,000	46,614	13,386
Trustees' expenses	31,700	25,202	6,498
Depreciation	19,000	19,168	(168)
Audit	13,910	15,651	(1,741)
Rent and utilities	26,950	13,846	13,104
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 850,585</u>	<u>\$ 791,768</u>	<u>\$ 58,817</u>

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