

**BEFORE THE 2008 JUDICIAL COUNCIL OF GUAM
RESOLUTION NO. JC 08-020**

RELATIVE TO THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE

WHEREAS, A Report from the Controller of the Courts to the Administrator of the Courts shows that the Judiciary's financial records are carrying a balance of \$3,962,312.26 for Attorney General's Office past due rent and \$1,891,466.28 for Public Defender Service Corporation back due rent, for a combined total of \$5,853,778.54. The accounts receivable date back to 1999 when both tenants were unable to make rent payments to the Judiciary, and the balances have now remained on the Judiciary's financial record for the last nine years.

WHEREAS, In the Judiciary's recent audit for Fiscal Year 2007, the audit firm of Deloitte and Touche noted the recorded rent receivables should be supported by attempted collection efforts. The Controller noted that collection efforts of the past due rents had been made. Beyond any revenues yielded from the collection efforts, these efforts ultimately terminated in the forcible eviction of the Office of the Attorney General from the building, and also led to a re-negotiated lease with the Public Defender Services Corporation; and

WHEREAS, the Controller of the Courts recommends that the two uncollectible receivables from the Public Defender Service Corporation and the Attorney General's Office past due rents be written-off for the Fiscal Year ending September 30, 2008; and

WHEREAS, The matter was brought before the Judicial Council at the duly noticed meeting of August 21, 2008. The matter was discussed and it was noted that the Guam Legislature is unlikely to appropriate funding to either entity to take care of either of the back-due rental amounts. After discussion and motion duly made,

IT WAS THEREFORE RESOLVED, that the amount of arrears as stated in the receivables that is listed by the Controller of the Courts (attached hereto) be written off as uncollectible and that the Controller take the proper action to take this item off the financial records of the Judiciary of Guam.

DULY ADOPTED this 21st day of August, 2008 at a duly-noticed meeting of the Judicial Council of Guam.



ROBERT J. TORRES, Chairman

Date: _____

9-17-08

ATTEST:



JOLEEN F. RESPICIO, Secretary

Date: _____

9-17-08



JUDICIARY OF GUAM
HUDIFIÁT GUAHAN
Financial Management Division
Guam Judicial Center 120 West O'Brien Drive • Hagåtña, Guam 96910
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ROBERT J. TORRES
Chief Justice

ALBERTO C. LAMORENA III
Presiding Judge

PERRY C. TAITANO
Administrator of the Courts

ANTHONY A. MENO
Controller

August 12, 2008

Memorandum

To: Administrative Director of the Courts

From: Controller

Subject: Accounts Receivable for AG's and Public Defender

Our financial records are currently carrying a balance of \$ 3,962,312.26 for AG's Office and \$1,891,466.28 for Public Defender for a combined total of \$5,853,778.54. This accounts receivable balance dates back to 1999 when both tenants were unable to make rent payments to the Judiciary. These balances have remained on the Judiciary's financial record for the last nine years.

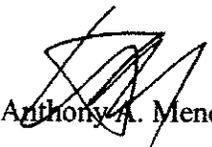
In our recent audit for FY07, the audit firm of Deloitte and Touche reiterated prior year financial conditions and noted that recorded rent receivables should be supported by attempted collection efforts. Unfortunately during the audit, they were unable to verify collection attempts relating to the lease agreement.

Although collection efforts have been made which led to the eviction of the Office of the Attorney General from the Judicial Center and the Public Defender Corp obtaining a new lease agreement, there has been no further effort this past year to collect the balance.

We are therefore recommending that the two uncollectible receivables for Public Defender and the Attorney General's Rental balances be written-off for this fiscal year ending September 30, 2008.

Your approval to write off these uncollectible rentals would improve internal controls and the financial position of the Judiciary of Guam.

Thank you for your consideration of this matter.


Anthony A. Meno

APPROVED

PERRY C. TAITANO
Administrator of the Courts

**Superior Court of Guam
Rental Receivables
As Of Sept. 2007
#330-64-196**

AGENCY	FY	# MOS	MO. Rental	TOTAL A/R
130-10-121				
Public Defender	1997	12	\$ 19,702.78	\$ 236,433.36
	1998	12	19,702.78	236,433.36
	1999	12	19,702.78	236,433.36
	2000	12	19,702.78	236,433.36
	2001	12	19,702.78	236,433.36
	2002	12	19,702.78	236,433.36
	2003	12	19,702.78	236,433.36
	2004	12	19,702.78	236,433.36
				<u>\$ 1,891,466.88</u>
 AG's Office	1996	3	\$ 42,942.93	\$ 128,828.79
130-10-122	1997	12	\$ 42,942.93	\$ 515,315.16
	1998	12	42,942.93	515,315.16
	1999	12	36,400.69	436,808.28
	2000	12	36,400.69	436,808.28
	2001	12	36,400.69	436,808.28
	2002	12	36,400.69	436,808.28
	2003	12	36,400.69	436,808.28
	2004	12	36,400.69	436,808.28
	2005	5	36,400.69	182,003.45
				<u>\$ 3,962,312.24</u>
 GRAND TOTAL				<u>\$ 5,853,779.12</u>

Note: Pymt for June 1996 Rental for AG's Office (Ck # 937897) received on Sept. 8, 1998.