

Financial Information
Notes To Financial Statements

assets are depreciated over a four-year period, unless it can be demonstrated that the estimated useful life is significantly greater than four years.

The following shows general property, plant, and equipment as of September 30, 2013 and September 30, 2012 (dollars in millions):

<u>Description</u>	<u>2013</u>			<u>2012</u>		
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Book Value</u>	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Book Value</u>
Equipment	\$ 3	\$ (1)	\$ 2	\$ 3	\$ (1)	\$ 2
Leasehold Improvements	-	-	-	-	-	-
Internal Use Software	186	(158)	28	175	(143)	32
Internal Use Software in Development	321	-	321	333	-	333
Total	\$ 510	\$ (159)	\$ 351	\$ 511	\$ (144)	\$ 367

Note 10: PIH Prepayments

HUD's assets include the Department's estimates for net restricted assets (NRA) balances maintained by Public Housing Authorities under the Housing Choice Voucher Program. As further discussed in Note 30, NRA balances represent cash reserves used by PHAs to cover program expenses reported by these entities as a result of recent funding shortfalls faced by the Department. The NRA balances are expected to be transitioned to HUD's project reserves in calendar year 2014 under PIH's cash management policies. PIH has estimated NRA balances of \$452 million and \$986 million for FY 2013 and FY 2012 respectively. Under the PIH cash management program, the NRA balances estimated by the Department are expected to be transitioned to HUD's project reserve accounts in FY 2014. Prior to the restatement of the Department's financial statements for FY 2012, the asset and the associated expenses were not reported by HUD. The amount of the prepayments are reflected as non-federal assets and reported under the Section 8 Rental Assistance program segment of HUD's consolidating balance sheet.

Note 11: Other Assets

The following shows HUD's Other Assets as of September 30, 2013 and September 30, 2012 (dollars in millions):

<u>Description</u>	<u>FHA</u>	<u>Ginnie Mae</u>	<u>Section 8</u>	<u>All Other</u>	<u>Total</u>
Intragovernmental Assets:					
Other Assets	\$ 1	\$ -	\$ -	\$ 14	\$ 15
Total Intragovernmental Assets	1	-	-	14	15
Mortgagor Reserves for Replacement - Cash	\$ 47	\$ -	\$ -	\$ -	\$ 47
Other Assets	331	-	-	-	331
Total	\$ 379	\$ -	\$ -	\$ 14	\$ 393

<u>Description</u>	<u>2012</u>				
	<u>FHA</u>	<u>Ginnie Mae</u>	<u>Section 8</u>	<u>All Other</u>	<u>Total</u>
Intragovernmental Assets:					
Other Assets	\$ 3	\$ -	\$ -	\$ 24	\$ 27
Total Intragovernmental Assets	3	-	-	24	27
Mortgagor Reserves for Replacement - Cash	\$ 55	\$ -	\$ -	\$ -	\$ 55
Other Assets	5	-	-	(1)	4
Total	\$ 63	\$ -	\$ -	\$ 23	\$ 86