

HUD FY 2013 Agency Financial Report
Section 2

Note 3: Entity and Non-Entity Assets

Non-entity assets consist of assets that belong to other entities but are included in the Department’s consolidated financial statements and are offset by various liabilities to accurately reflect HUD’s net position. The Department’s non-entity assets principally consist of: (1) U.S. deposit of negative credit subsidy in the GI/SRI general fund receipt account, (2) escrow monies collected by FHA that are either deposited at the U.S. Treasury, Minority-Owned banks or invested in U.S. Treasury securities, and (3) cash remittances from Section 8 bond refunding deposited in the General Fund of the Treasury.

HUD’s assets as of September 30, 2013 and 2012 were as follows (dollars in millions):

| Description | 2013 | | | 2012 | | |
|--|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|
| | Entity | Non-Entity | Total | Entity | Non-Entity | Total |
| Intragovernmental | | | | | | |
| Fund Balance with Treasury (Note 4) | \$ 133,311 | \$ 2,286 | \$ 135,597 | \$ 104,693 | \$ 3,524 | \$ 108,217 |
| Investments (Note 5) | 1,821 | 3 | 1,824 | 4,896 | 3 | 4,899 |
| Other Assets (Note 11) | 15 | - | 15 | 27 | - | 27 |
| Total Intragovernmental Assets | \$ 135,147 | \$ 2,289 | \$ 137,436 | \$ 109,616 | \$ 3,527 | \$ 113,143 |
| Investments (Note 5) | 56 | - | 56 | 60 | - | 60 |
| Accounts Receivable, Net (Note 6) | 159 | 21 | 180 | 193 | 20 | 213 |
| Loan Receivables and Related Foreclosed Property, Net (Note 7) | 9,986 | - | 9,986 | 8,534 | - | 8,534 |
| Other Non-Credit Reform Loans Receivable, Net (Note 8) | 4,001 | - | 4,001 | 4,355 | - | 4,355 |
| General Property, Plant and Equipment, Net (Note 9) | 351 | - | 351 | 367 | - | 367 |
| PIH Prepayments (Note 10) | 452 | - | 452 | 986 | - | 986 |
| Other Assets (Note 11) | 331 | 47 | 378 | 59 | - | 59 |
| Total Assets | \$ 150,483 | \$ 2,357 | \$ 152,840 | \$ 124,170 | \$ 3,547 | \$ 127,717 |

Note 4: Fund Balance with the U.S. Treasury

The U.S. Treasury, which, in effect, maintains HUD’s bank accounts, processes substantially all of HUD’s receipts and disbursements. HUD’s fund balances with the U.S. Treasury as of September 30, 2013 and 2012 were as follows (dollars in millions):

| Description | 2013 | 2012 |
|-----------------------------|-------------------|-------------------|
| Revolving Funds | \$ 64,404 | \$ 45,021 |
| Appropriated Funds | 61,890 | 53,067 |
| Trust Funds | 7,066 | 6,101 |
| Other | 2,237 | 4,028 |
| Total - Fund Balance | \$ 135,597 | \$ 108,217 |

The Department’s Fund Balance with Treasury includes receipt accounts established under current Federal Credit Reform legislation and cash collections deposited in restricted accounts that cannot be used by HUD for its programmatic needs. These designated funds established by the Department of Treasury are classified as suspense and/or deposit funds and consist of accounts receivable balances due from the public. A Statement of Budgetary Resources is not prepared for these funds since any cash remittances received by the Department are not defined as a budgetary resource.

In addition to fund balance, contract and investment authority are also a part of HUD’s funding sources. Contract authority permits an agency to incur obligations in advance of an appropriation, offsetting collections, or receipts to make outlays to liquidate the obligations. HUD has permanent indefinite contract authority. Since Federal securities are considered the equivalent of cash for budget purposes, investments in them are treated as a change in the mix of assets held, rather than as a purchase of assets.