

Note 10. Other Assets

Other Assets as of September 30, 2020, and 2019		
(In billions of dollars)	2020	2019
Advances and prepayments.....	218.6	68.0
Regulatory assets.....	20.0	18.8
Investments in Multilateral Development Banks.....	8.2	7.8
FDIC receivable from resolution activity, net.....	1.4	2.8
Other.....	13.1	13.2
Total other assets.....	261.3	110.6

Advances and prepayments are assets that represent funds disbursed in contemplation of the future performance of services, receipt of goods, the incurrence of expenditures, or the receipt of other assets. These include advances to contractors, grantees, Medicare providers, and state, local, territorial, and tribal governments; travel advances; and prepayments for items such as rents, taxes, insurance, royalties, commissions, and supplies.

HHS and Treasury reflect the largest increases to advances and prepayments. HHS had an increase of \$103.6 billion due to the expansion of the AAP program to all Medicare providers during the COVID-19 pandemic. AAP provides emergency funding and addresses cash flow issues when there is disruption in claims submission and/or claims processing. Treasury disbursed \$149.5 billion of financial assistance payments from the Coronavirus Relief Fund to state, local, territorial, and tribal governments to cover eligible costs incurred as a result of the pandemic. As of September 30, 2020, \$68.9 billion was remaining to be used by the recipients. As modified by the *Consolidated Appropriations Act, 2021*, these payments are available to be used by recipients until December 31, 2021 or returned unused to Treasury.

With regard to regulatory assets, the DOE's PMAs and TVA record certain amounts as assets in accordance with FASB ASC Topic 980, *Regulated Operations*. The provisions of FASB ASC Topic 980 require that regulated enterprises reflect rate actions of the regulator in their financial statements, when appropriate. These rate actions can provide reasonable assurance of the existence of an asset, reduce or eliminate the value of an asset, or impose a liability on a regulated enterprise. In order to defer incurred costs under FASB ASC Topic 980, a regulated entity must have the statutory authority to establish rates that recover all costs, and those rates must be charged to and collected from customers. If the PMAs' or TVA's rates should become market-based, FASB ASC Topic 980 would no longer be applicable, and all of the deferred costs under that standard would be expensed.

On behalf of the U.S., Treasury invests in certain MDBs, through subscriptions to capital, which allows the MDBs to issue loans at market-based rates to middle-income developing countries. These paid-in capital investments are non-marketable equity investments valued at cost.

The FDIC has the responsibility for resolving failed institutions in an orderly and efficient manner. The resolution process involves valuing a failing institution, marketing it, soliciting and accepting bids for the sale of the institution, determining which bid is least costly to the insurance fund, and working with the acquiring institution through the closing process. FDIC records receivables for resolutions that include payments by the DIF to cover obligations to insured depositors, advances to receiverships and conservatorships for working capital, and administrative expenses paid on behalf of receiverships and conservatorships.

Other items included in "other" are estimated future payments to contractors, purchased power generating capacity, deferred nuclear generating units, derivative assets, the balance of assets held by the experience rated carriers participating in the Health Benefits and Life Insurance Program (pending disposition on behalf of OPM), and the cost contribution to buildout the Nationwide Public Safety Broadband.