

How-to Guide

WAPA Financial Transparency Reporting



**Western Area
Power Administration**

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Purpose

The purpose of this How-to Guide is to provide users information to find, understand and interpret Western Area Power Administration's financial transparency data. WAPA's '*The Source*' website serves as the gateway to financial transparency data. This guide is designed to follow the order in which this data is outlined on the [website](#).

Explanation of Financial Transparency Reports

This section provides an overview of the information included in the financial transparency reports, how that information is presented and organized, and how the reports compare to other reports published by WAPA. Throughout this section, there are several references to how information is grouped and categorized. The final section of this guide, *Crosswalk of Data Element Roll-Up Categories*, provides a detailed description of each of these grouping and categories to facilitate understanding and interpretation of the reports.

Rates and Sales Data by Power System

This data is provided in a Microsoft Excel downloadable file format by power system and fiscal year for the following:

- Amount of energy sold
- Rates charged to customers for power
- Rates charged to customers for transmission services

This report is intended to consolidate data for the reporting period into an easy-to-read format. The data provided in this report is also available in WAPA's annual Statistical Appendix for each year being reported.

WAPA's Annual Report, Financial Statements and Statistical Appendix for recent years can also be found on '[The Source](#)'.

Federal Full-Time-Equivalents

This data is provided in a Microsoft Excel downloadable file format. The Federal Full-Time Equivalent report shows authorized FTE levels and estimated FTE usage.

This report displays estimated FTE usage for the period by Region and Organizational Code and total Authorized FTE levels for each Region and Fiscal Year. The report also contains a view showing WAPA-wide estimated FTE usage both by Region and Organizational Code as well as WAPA-wide Authorized FTE levels for each fiscal year. This report is prepared in accordance with Section 85.5(c) of OMB Circular No. A-11, which allows agencies to use bi-weekly pay period data from existing payroll data systems to compute FTE employment estimates. Regular hours (normally based on 26

bi-weekly pay periods) are divided by 2,080 hours to derive the FTE estimate. FTE employment levels apply to straight-time hours only.

Expenditures

This report is provided in a Microsoft Excel filterable and downloadable file format. The downloadable file contains three different sets of reports organized and color coded as follows:

- Direct Expenditure Reports (**RED** tabs)
- Indirect Expenditure Reports (**BLUE** tabs)
- HQ Expenditure Reports (**GREEN** tabs)

Each of the three different sets contain four standard report views within each set – Organizational Code, Object Class, FERC Code and Budget Activity. Additionally, indirect and HQ report sets contain an additional view that summarizes expenditures by Cost Pool.

The structure of each report is similar:

- Report filters:
 - Displayed as total WAPA-wide expenditures with the ability to filter the report by:
 - Region
 - Rate System
 - Power System
 - Cost Pool (indirect & HQ report views only)
- Report structure:
 - The first category is Rate Classification, which classifies expenditures into two groups (Rate or Non-Rate) based on whether they have an impact to rates or revenue requirements.
 - The second category is Cost Type, which separates expenditures into the following groups: Operations and Maintenance/General and Administrative, Purchase Power and Wheeling and Capital.
 - The third and fourth categories are based on the specific report view; first a high-level grouping (denoted by the suffix “category”) followed by a more detailed grouping.
 - Organizational Code view: Org Code Category and Org Code
 - Object Class view: Obj Class Category and Obj Class
 - FERC Code view: FERC Code Category and FERC Code
 - Budget Activity view: Budget Activity Category and Budget Activity
 - The Indirect-Summary and HQ-Summary views use a third category of Cost Pool instead of the third and fourth categories described immediately above. This separate category allows these views to be reported at a summary level that provides a representation of the costs based on the source cost pool.

The financial transparency expenditure reports have both similarities and differences compared with other reports that WAPA shares with stakeholders. The following explanation provides a quick comparison with some of the more common of these reports.

- Tie Points to Financial Statements

Financial transparency expenditure reports maintain tie points to WAPA's financial statements for total expenditures as reflected in the Hydro, TIP, Reimbursable, Other and Eliminations columns. Due to changes in categorization criteria over the course of the reporting period, as well as the creation of new categorization criteria for the implementation of these reports, further detailed tie points may not exist. Therefore, data aggregations at detailed levels (i.e. Financial Statement Line, FERC Code, etc.) may not tie exactly to previous financial statement reporting.

- Difference between Financial Transparency Expenditure Reports and Budget Execution Reports

Financial transparency expenditure reports reflect expenditures based on Generally Accepted Accounting Principles as reflected in WAPA's audited financial statements. This differs from traditional customer reporting that typically reflects the execution of budgetary resources, which includes commitments and obligations in addition to expenditures. Since commitments and obligations may expense in future reporting periods, there is a timing difference between expenditure and execution reporting. Additionally, since funds may be de-committed or de-obligated prior to expenditure, there may also be permanent differences between expenditure and execution reporting.

- Difference between Financial Transparency Expenditure Reports and Rate-Making

Financial transparency expenditure reports reflect WAPA expenditures only. Since generating agency expenditures are also included in rate calculations, the amounts included in these reports represent only a portion of the expenditures used for rate-making purposes.

Direct Expenditure Reports

The direct expenditure report views are designed to show total expenditures as reported in WAPA's financial statements. As described above, there are four expenditure report views (i.e., Organizational Code, Object Class, FERC Code and Budget Activity). Each view agrees, in total, to WAPA's financial statements (see *Tie Points to Financial Statements* section above).

The indirect expenses reported in each view reflect the post-allocation of expenditures. Due to system design limitations, Org Code, Object Class and Budget Activity views reflect indirect expenditures as a single line item. Details of the indirect expenditures are provided in the Indirect Expenditure Reports view tabs described below.

Indirect Expenditure Reports

The Indirect Expenditure Reports are designed to supplement the Direct Expenditure Reports described above by displaying indirect expenditures, as they were distributed to the regional power systems, at the same detailed level in which they were originally incurred. Since WAPA's financial system was not designed to capture expenditures in this manner, a custom allocation methodology was required to provide these views. The following explanations provide additional context to this process.

- Pre-Allocation vs Post-Allocation

Indirect expenditures are initially charged to HQ or regional indirect cost pools. WAPA's financial system captures these expenditures at a detailed level. Throughout annual financial processing, actual indirect expenditures are distributed to direct power systems through multiple automated and manual mechanisms based on the indirect cost pool type – primarily via burden rates applied to direct power system labor. However, as the expenditures are allocated to the direct power systems, the system is not designed to record those expenditures at that same level of detail as the original transactions.

- Allocation Methodology

Based on the system design limitations described above, WAPA created an allocation methodology and process, outside the financial system, to enable reporting of indirect expenditures at the same level of detail as they were originally incurred. This process leverages actual cost allocation percentages incurred, by year, to represent the indirect expenditures applied to the direct power systems.

- Indirect View Totals vs Direct View Totals

Due to the previously described allocation process, some immaterial differences exist between the post-allocated expenditure amounts shown on the Indirect Expenditure Reports as compared to indirect expenditure amounts shown in the Direct Expenditure Reports. This is due to the complexity of representing the pre-allocation data elements in the post-allocation view. The burdening business process used for distributing indirect expenditures does not support providing this type of merged pre/post allocation reporting in a manner that results in exact matches.

HQ Expenditure Reports

The HQ Expenditure Reports are designed to show total expenditures incurred by the Headquarters office in support of WAPA's mission. The HQ office provides support in several different roles, reflected by the various Cost Pools presented in this report.

- HQ Depreciation

WAPA invests in several assets that provide a benefit to the organization as a whole, as opposed to specific regions. These assets are budgeted and executed within the HQ Ten-Year

Capital Investment Plan. Once in service, the assets are depreciated relative to their useful lives, with the depreciation expense being allocated to the regional power systems.

- HQ Direct Allocation

HQ support that benefits a specific region, but not a specific power system, is charged to a regional indirect cost pool. The costs are then allocated to specific regional power systems through the appropriate mechanism based on the indirect cost pool type.

- HQ Direct Charge

HQ support that benefits a specific regional power system is charged directly to that system.

- HQ Indirect

HQ support that benefits the organization as a whole. These costs are charged to HQ indirect cost pools and allocated to regional power systems through the appropriate mechanism based on the indirect cost pool type.

Capital Investments by Project

This report is provided in a Microsoft Excel filterable and downloadable file format. The Capital Expenditures by Project report shows the following:

- Capital investments, by investment type, delineated by the year placed into service
- Source of capital for each investment

The amounts represented in this report reflect the transition of investments from construction in progress to placed into service. For rate-impacting power systems, this is also the point at which the assets stop incurring interest during construction, start incurring interest on investment, and enter their repayment period. Amounts in this report exclude retirements in any given fiscal year. Negative amounts indicate transfers between funding sources or adjustments to asset amounts.

Investments associated with the Boulder Canyon and Central Arizona projects are not recorded as WAPA assets, and therefore are not reflected on this report. Capital investments for these systems are reflected as O&M/G&A expenditures on the Direct Expenditure Reports.

Funds Returned to the U.S. Treasury

This report displays the funds returned to the U.S. Treasury by WAPA and hydroelectric power functions of the generating agencies. The report shows each of WAPA's receipt funds and the amount returned. Returns can be actual cash deposited to the U.S. Treasury or be constructive returns. Constructive returns represent legislative required expenditures which are authorized to be applied to returns to the U.S. Treasury. Summary totals are footnoted for the generating agencies.

Crosswalk of Data Element Roll-Up Categories

A number of roll-up categories were created to make the data provided in the financial transparency reports more meaningful to users. Instead of using obscure financial system identifiers for required data elements, these codes were instead categorized into groups that provide a brief, but informative description of the types of expenditures being reported. The explanations and crosswalks below are intended to provide some insight into the various roll-up categories created.

Region

Classifies regions by their respective financial system identifiers for each regional power system. Expenditure reports, filtered to a specific region, may include amounts for transactions that originated by other regional or WAPA-HQ organizations (i.e. HQ or another region direct charging labor or materials for work that benefits that particular region). For the purposes of financial transparency reporting, the Transmission Infrastructure Program is categorized as a region.

REGION	Description
CRSP	Colorado River Storage Project Management Center
DSW	Desert Southwest Region
HQ	WAPA-Headquarters
RMR	Rocky Mountain Region
SNR	Sierra Nevada Region
TIP	Transmission Infrastructure Program
UGP	Upper Great Plains Region
WAPA-wide	WAPA Reserve and Judgement Fund
Within WAPA Eliminations	Financial Statement Eliminations

Rate Classification

Classifies expenditures into two groups based on impact to rates or revenue requirements.

RATE CLASSIFICATION	Description
Rate	Expenditure amounts for activities that have an impact on rates or revenue requirements (these are not necessarily the exact inputs into the Power Repayment Studies)
Non-Rate	Expenditure amounts for activities that do not have an impact on rates or revenue requirements

Power System

Classifies financial system identifiers for each regional power system into power systems that are more easily identified. For example, there is a separate system identifier for the Colorado River

Storage Project for multiple regions – DSW, RMR and the CRSP Management Center. This category aggregates those into a single power system called the Colorado River Storage Project. Without filtering by Region, results will be displayed for all CRSP power systems. By adding a filter by region, results will be displayed for that region’s power system.

RATE CLASSIFICATION	POWER SYSTEM
Rate	Boulder Canyon Central Arizona Central Valley Collbran Colorado River Storage Project Dolores ED5-PVH Falcon-Amistad Frying Pan-Arkansas HQ Direct Intertie LAP Project Olmsted Parker Davis Pick-Sloan Provo River Rio Grande Seedskadee Washoe
*Immaterial amounts may appear in regional indirect power systems to tie to financial statements. These are temporary amounts that typically net to zero in future years.	CRSP Indirect DSW Indirect HQ Indirect RMR Indirect SNR Indirect UGP Indirect
Non-Rate	Eliminations Non-Reimbursable Transmission Infrastructure Program WAPA-wide Work for Others

The Non-Rate power system categories require additional explanation. This is because they are not really power systems, but types of work performed that do not have an impact on rates or revenue requirements.

Eliminations

This category aggregates transactions required for financial statement presentation to be compliant with Generally Accepted Accounting Principles. Some examples include:

- Beginning in FY 2014, WAPA gained ownership of 0895000.27 Reclamation Fund from the Bureau of Reclamation. This resulted in WAPA recording both the expenditure and the revenue side of transactions related to the Reclamation Fund, requiring WAPA to eliminate the Reclamation Fund activity.
- Elimination entries occur for TIP activity between the WAPA TIP office and the WAPA TIP projects.

Non-Reimbursable

Expenditures that are not required to be recovered through rates. Some examples include:

- Colorado River Front & Levee System
- Colorado River Salinity Control
- Congressional Earmark for Topock-Mead Conductor Project
- Congressional Earmark for Basic Substation Environmental Cleanup
- Congressional earmark for Animas-LaPlata
- Spectrum Relocation Fund
- Washoe project facilities, other than Stampede power plant pursuant to public law
- Colorado River Basin Power Marketing Fund expenditures associated with Bureau of Reclamation environmental activities

Transmission Infrastructure Program

TIP activity represents WAPA activity related to Section 402 of the American Recovery and Reinvestment Act of 2009.

This category specifically includes expenditures associated with TIP projects that are not included in rate or revenue requirement systems. The Electric District No. 5-to-Palo Verde Hub project, while constructed with borrowed funds under TIP, are included in its own power system designation since it has a revenue requirement associated with services provided by WAPA.

WAPA-wide

Expenditures recorded in the WAPA Reserve and Judgment Fund power systems.

Work for Others

Expenditures for mission-related work funded through agreements or partnerships with federal and non-federal entities. Some examples include:

- Maintenance of equipment at shared substations
- Construction of a new facility in support of an interconnection request
- Buying or selling power or transmission services on behalf of preference customers

Rate System

Classifies financial system identifiers for each regional power system into rate systems associated with generation and transmission rates, facility use charges or revenue requirements.

REGION	RATE SYSTEM	POWER SYSTEM
CRSP	Falcon-Amistad Project	Falcon-Amistad
CRSP	Provo River Project	Provo River
CRSP	Salt Lake City Area/Integrated Projects	Collbran Colorado River Storage Project Dolores Rio Grande Seedskadee
CRSP	Olmsted Project	Olmsted
DSW	Boulder Canyon Project	Boulder Canyon
DSW	Central Arizona Project	Central Arizona
DSW	ED5-PVH	ED5-PVH
DSW	Pacific NW-SW Intertie	Intertie
DSW	Parker-Davis Project	Parker Davis
DSW	Salt Lake City Area/Integrated Projects	Colorado River Storage Project
RMR	Salt Lake City Area/Integrated Projects	Colorado River Storage Project
RMR	Loveland Area Projects	Frying Pan-Arkansas LAP Project Pick-Sloan
SNR	Central Valley Project	Central Valley Intertie
SNR	Washoe Project	Washoe
UGP	Pick-Sloan Missouri Basin Program - Eastern Division	Pick-Sloan

Cost Pool

Classifies expenditures based on the cost pools they represent. This is a unique category used for the Indirect and HQ Expenditure Reports.

Cost Pool	Description
HQ Depreciation	HQ depreciation expenditures for assets that provide a WAPA-wide benefit posted to direct power systems annually



HQ Direct Allocation	HQ expenditures posted to the regional indirect cost pools
HQ Direct Charge	HQ expenditures posted to the direct power systems
HQ Indirect	HQ expenditures posted to the HQ indirect cost pools
Region Indirect	Regional expenditures posted to regional indirect cost pools

Cost Type

Classifies expenditures into Operations & Maintenance/General & Administrative, Purchase Power & Wheeling, and Capital groups. This is a common aggregation used in current budget execution reporting and rate calculation reporting.

Cost Type	Description
Operations & Maintenance / General & Administrative (O&M/G&A)	Expenditure amounts that are considered to be annual expenses for financial statement and rate-making purposes. This category includes traditional O&M/G&A type expenditures as well as the annual expense portion of the capital program (including depreciation, interest on investment and net gains and losses).
Purchase Power & Wheeling (PPW)	Expenditure amounts associated with the purchase of power, transmission and associated ancillary services.
Capital	Expenditure amounts associated with Construction in Progress.
Capital Offset	Offset of expenditure amounts associated with Construction in Progress. Since CIP expenditures are not considered annual expenses for financial statement and rate-making purposes, this category provides the offset so financial transparency expenditure reports tie to the expense portion of WAPA's net cost statement.

Org Code Category

Classifies Org Codes into three categories to provide a more meaningful representation of expenditures from this perspective.

ORG CODE CATEGORY	Description
Functional Orgs	Expenditure amounts associated with organizations where FTE are assigned and work is performed.
Indirect Expenses	Expenditure amounts associated with allocated indirect expenses. This category is used in the direct expenditure reports to provide a tie point to the indirect expenditure schedules.

Other	Expenditure amounts associated with activities that are not driven by functional organizations. The other categories were created to be able to classify costs recorded in financial system org codes that are solely in place to be able to record specific transactions.
Cost Capitalization Offset	Expenditure amounts associated with the Capital Offset cost type.

Org Code

Classifies financial system identifiers into standardized organizational classifications.

Org Code – Functional Orgs

As described above, “Function Orgs” are those organizations where FTE are assigned and work is performed. This categorization is used for both the expenditure reports and the federal FTE reports allowing users to compare both expenditures and federal FTE in groups that are easily understandable and recognizable. The Headquarters office and the regional offices all use the same organizational classifications. The following crosswalk summarizes how the Functional Orgs category is structured. The crosswalk also identifies several re-organizations that occurred within the 17-year reporting period and a few exceptions due to organizational structure differences between regions.

ORG CODE	Organizations / Functions
Administrative	HQ Administrator’s Office HQ Office of Economic Impact & Diversity HQ Office of the Corporate Liaison HQ Office of Public Affairs HQ Risk & Reliability Compliance Regional Manager’s Office Regional Administrative Officer Regional Facilities Management Regional Property Management
Environment	HQ Natural Resources Regional Environment
Financial Management	HQ Office of the Chief Financial Officer HQ Financial Management HQ Budget & Analysis HQ Governance & Policy Regional Financial Management (CRSP includes Asset Management) Regional Accounting (DSW includes Power Billing) Regional Budget
General Counsel	HQ Office of the General Counsel
Human Resources	HQ Human Resources



	Regional Human Resources (prior to HR Shared Service Center in FY 2017)
Information Technology	HQ Office of the Chief Information Officer HQ Cyber Security HQ Network HQ Infrastructure HQ SCADA Systems HQ Enterprise Applications HQ Power Management & Marketing HQ Operations & Maintenance Technology Regional Information Technology (prior to IT Evolution in FY 2016)
Maintenance	HQ Office of the Chief Operating Officer HQ Transmission Asset Planning & Management HQ Technical Services HQ Design Engineering Regional Maintenance Management Regional Asset Management (except CRSP) Regional Transmission Lines Maintenance Regional Substation Maintenance Regional Communications Maintenance Regional Protection Maintenance Regional Engineering & Construction
Power Marketing	Regional Energy Management & Marketing Regional Rates Regional Power Contracts & Energy Services Regional Resource Planning & Settlements Regional Power Billing (except DSW)
Power System Operations	Regional Transmission Services Regional Transmission Switching Regional Operations Support Regional Transmission Scheduling & Security Regional Operations Reliability & Balancing Regional Transmission Planning Regional Transmission Business Unit Regional Operations Engineering & Planning Regional System Operations & Control
Procurement	HQ Procurement Regional Procurement
Safety & Security	HQ Safety & Occupational Health HQ Security & Emergency Management (OSEM) Regional Safety & Security (prior to OSEM reorganization in FY 2014)



	Regional Safety & Occupational Health (after OSEM reorganization in FY 2014)
TIP Office	Office of the Transmission Infrastructure Program

Org Code – Other

As described above, the Other category of Org Codes helps classify expenditure amounts associated with activities that are not driven by functional organizations. The following crosswalk summarizes how the Other category is structured.

ORG CODE	Description
DOE-Working Capital Fund	The DOE-Working Capital Fund (WCF) is an intragovernmental fund established to finance common services shared across Department of Energy (DOE) entities.
Eliminations	Expenditure amounts associated with the Eliminations Power System.
Interest on Investment	Expenditure amounts associated with unfunded interest on investment recovered in power and transmission rates.
MOA Transfers	Transfers to Bureau of Reclamation under the Memorandum of Agreement effective 10/1/2020. In FY 2022, WAPA began preparing federal financial statements, which resulted in these costs being reported on the Custodial Statement and are no longer included as expenditures on the Net Cost Statement.
Movable Property Depreciation	Expenditure amounts associated with unfunded depreciation.
Net Loss (Gain) on Disposition of Assets	Expenditure amounts associated with unfunded losses and gains.
Net Loss (Gain) on Disposition of Borrowings	Expenditure amounts associated with losses and gains on early repayment of outstanding borrowings.
Other	Expenditure amounts associated with transactions containing a default or unclassified organizational code. Transactions may include accounting adjustments, allowance for doubtful accounts or similar entries.
Provisions for Replacement and Depreciation	Expenditure amounts associated with unfunded depreciation.
Purchase Power	Expenditure amounts associated with the purchase of power.
Purchase Transmission and Ancillary Services	Expenditure amounts associated with the purchase of transmission and associated ancillary services.



Unfunded Benefits Expense	Expenditure amounts associated with unfunded benefits expense.
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Object Class Category and Object Class

Classifies financial system identifiers for each individual object class code into standardized object class descriptions. The categories are based on Section 83 (Object Classification) of OMB Circular No. A-11 (2016). Due to its unique mission, WAPA utilizes some object class codes that are not specifically outlined in OMB A-11. These codes are classified under the “Other” category. Additionally, the category “Indirect Expenses” is used to capture the post-allocation of indirect expenditures recorded in the power systems. The following crosswalk summarizes how the groups are structured. For the purposes of the financial transparency reports, the OMB prescribed category “Advisory & Assistance Services” is split into separate consultant and contractor classifications to provide additional visibility into those expenditures.

OBJ CLASS CATEGORY	OBJ CLASS
Acquisition of Assets	Equipment Land & Structures
Contractual Services & Supplies	Advisory & Assistance Services (Consultant) Advisory & Assistance Services (Contractor) Operation & Maintenance of Equipment Operation & Maintenance of Facilities Other Contractual Services Other Goods & Services from Federal Sources Other Services from Non-Federal Sources Printing & Reproduction Rent, Communications, & Utilities Research & Development Contracts Supplies & Materials Travel & Transportation of Persons Transportation of Things
Grants & Fixed Charges	Grants, Subsidies & Contributions Insurance Claims & Indemnities Interest & Dividends
Indirect Expenses	Indirect
Other	Interest on Investment MOA Transfers Movable Property Depreciation Net Loss (Gain) on Disposition of Assets Net Loss (Gain) on Disposition of Borrowings Other Provisions for Replacement and Depreciation Purchased Power



	Purchased Transmission and Ancillary Services TIP Administrative Unfunded Benefits Expense Eliminations
Personnel Compensation & Benefits	Benefits for Former Personnel Personnel Benefits Personnel Compensation
Cost Capitalization Offset	Cost Capitalization Offset

FERC Code Category and FERC Code

Classifies financial system identifiers for each individual FERC code. These codes are based on Federal Energy Regulatory Commission accounting guidelines for use by FERC-regulated entities. Each FERC code relates to a specific Task Code. WAPA elected to use FERC Code for this categorization because it is a data element within the General Ledger, whereas Task Code is not. Additionally, FERC Code classification is already an integral part of our financial reporting structure. The following crosswalk summarizes how the groups are structured. These groups are identical to the current FERC Code categories used in WAPA's annual Results of Operations reports.

FERC CODE CATEGORY	FERC CODE
Operating Expenses	Accrued Unused Annual Leave Administrative and General Expense Capitalized in Progress Expenditures Conservation and Renewable Energy Resources Eliminations Environment Environment – Constructive Return General Western Allocation Lease Amortization MOA Transfers Movable Property Depreciation Net Loss (Gain) on Disposition of Assets Net Loss (Gain) on Disposition of Borrowings O&M Pass Thru Interest Expense Power Marketing & General Power Resources Planning Power Users Accounting & Collection Expenses Purchased Power Purchased Transmission and Ancillary Services Transmission Expenses - Maintenance Transmission Expenses - Operation
Non-operating Expenses	Eliminations Interest on Investment Allocated to Power - Federal Interest on Investment Allocated to Power - Non-Federal



	Provisions for Replacement and Depreciation
Cost Capitalization Offset	Cost Capitalization Offset

Budget Activity Category

Budget Activity is a data element contained within the Project Accounting module of our financial system. Although most of our daily expenditure transactions occur within this module, many transactions originate in other modules including Fixed Assets, Purchase Order, Accounts Payable, Accounts Receivable and even some directly within the General Ledger. As part of WAPA’s financial transparency efforts, we were able to enhance our financial reporting process to integrate budget activity within many of the transactions that originate in these other modules. However, there are some entries, predominantly within the General Ledger, that were never intended to be recorded at the budget activity level. For this reason, we created the Budget Activity Category to separate those transactions that can be associated with traditional budget activities (Functional Budget Activities) and those transactions that cannot (Other). On occasion there may be entries made to the General Ledger to correct activities associated with traditional budget activities. Since all General Ledger entries are categorized as “Other” Budget Activity Category, it is important to review these entries to confirm that the “Other” Budget Activity Category is appropriate.

BUDGET ACTIVITY CATEGORY	Description
Functional Budget Activities	Expenditure amounts associated with budget activities where FTE charge their time and work is performed.
Indirect Expenses	Expenditure amounts associated with allocated indirect expenses. This category is used in the direct expenditure reports to provide a tie point to the indirect expenditure schedules.
Other	Expenditure amounts associated with activities that are not driven by functional budget activities. The other categories were created to be able to classify costs recorded without a budget activity in the financial system.
Cost Capitalization Offset	Expenditure amounts associated with the Capital Offset cost type.

Budget Activity

Classifies financial system identifiers for each individual Budget Activity.

Budget Activity – Functional Budget Activities

As described above, “Functional Budget Activities” are those budget activities where FTE charge their time and work is performed. The following crosswalk summarizes how the Functional Budget Activities category is structured.

BUDGET ACTIVITY	Description
Administrative Expense	Expenditure amounts associated with general IT, Financial Management, Procurement, Human Resources, General Western Allocation, warehouse costs, construction and maintenance administration, and management oversight.
Aircraft Related Expense	Indirect expenditure amounts associated with the administration of the Aviation program including fuel costs, aircraft maintenance and pilots.
Construction	Expenditure amounts associated with construction projects including land, structures, equipment, etc. This would also include contract services and labor related to the design through installation and inspection to place the equipment into service.
Heavy Equipment & Vehicle Expense	Indirect expenditure amounts associated with the administration of the heavy equipment and General Service Administration vehicle programs including fuel costs, vehicle maintenance and leased vehicle payments.
Maintenance Expense	Expenditure amounts associated with the maintenance of substations, transmission lines, communication and control equipment, metering stations, and environmental compliance and safety expenses.
Multi-Project Expense	DSW specific - Amortization of capital assets associated with the Mead Service Center, Phoenix Service Center and SCADA system.
Office Facility Expense	Expenditure amounts associated with service facilities.
Operations Expense	Expenditure amounts associated with power system operations and load dispatching, resource management, transmission and engineering studies, and transmission system planning.
Power Billing & Marketing Expense	Expenditure amounts associated with Power Marketing and general power resource planning, power billing and collecting, and conservation and renewable energy programs.
Purchase Power & Wheeling Expense	Expenditure amounts associated with the purchase of power, transmission, and associated ancillary services.
Replacements	Expenditure amounts associated with movable equipment and software, warehouse supplies, and repair, replacements and additions for communication, metering, substation, and transmission lines equipment.



TIP Operations Expense	Expenditure amounts associated with the Transmission Infrastructure Program.
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Budget Activity – Other

As described above, “Other” budget activities group expenses into meaningful categories that would otherwise be unclassified. The majority of expenses within this category are unfunded and do not have a budget activity associated with them. The following crosswalk summarizes how the Other category is structured.

BUDGET ACTIVITY	Description
Eliminations	Expenditure amounts associated with financial statement eliminations.
Interest on Investment	Expenditure amounts associated with unfunded interest on investment recovered in power and transmission rates.
Maintenance	These are legislatively assigned generating agency costs.
MOA Transfers	Transfers to Bureau of Reclamation under the Memorandum of Agreement effective 10/1/2020. In FY 2022, WAPA began preparing federal financial statements, which resulted in these costs being reported on the Custodial Statement and are no longer included as expenditures on the Net Cost Statement.
Movable Property Depreciation	Expenditure amounts associated with unfunded depreciation.
Net Loss (Gain) on Disposition of Assets	Expenditure amounts associated with unfunded losses and gains.
Net Loss (Gain) on Disposition of Borrowings	Expenditure amounts associated with losses and gains on early repayment of outstanding borrowings.
Other	Expenditure amounts associated with transactions containing a blank, default or unclassified budget activity. Transactions may include accounting adjustments, allowance for doubtful accounts or similar entries.
Provisions for Replacement and Depreciation	Expenditure amounts associated with unfunded depreciation.
Unfunded Benefits Expense	Expenditure amounts associated with unfunded benefits expense.
WAPA-wide Depreciation Allocation	Expenditure amounts associated with the allocation of depreciation of WAPA-wide assets to the regional power systems.