

City of Snoqualmie
September 2023 Quarterly Report



November 13, 2023

**FINANCE DEPARTMENT**

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DATE: November 13, 2023
TO: Snoqualmie City Council
FROM: Janna Walker, Budget Manager
SUBJECT: Financial Performance Report as of Quarter 3, 2023

Attached is the City of Snoqualmie's quarterly Financial Performance Report for the time period starting July 1, 2023 and ending September 18, 2023. The purpose of this report is to compare actual revenues and expenditures to the 2023-24 Amended Budget, present a 2023 year-end forecast, and to review fund balances for compliance with financial management policy. A summary of all funds and their current status can be reviewed at Appendix A1.

During the third quarter of the year, the City of Snoqualmie implemented the accounts payable segment of a new Enterprise Resource Planning (ERP) system during September. As such, the data presented here is preliminary in nature while reconciliations are under way. Additionally, this report is as of September 18, 2023 rather than September 30, 2023 in order to incorporate the most accurate fund balances for forecasting and the presentation of reserve level targets.



City Funds Scorecard

	Location	Score
General Fund Forecast		
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Legend:

- Positive Variance or negative variance < 1%
- Negative variance of 1-5%
- Negative variance of > 5%
- Negative variance of > 5%, but expected to resolve within the Biennium.

Note: Forecasts for Capital accounts require a higher degree of judgment due to their project-based nature and irregular revenue sources. However, these capital expenditures and reserves are monitored. See pages 6 & 7 for Capital reserves and Appendix A2 for project status and year-end forecasts.

City Funds Forecasts Detail

The tables below show the General fund by type of revenue or expenditures and other funds by total revenues and expenditures, as compared to the 2023-24 Biennial Budget. The fourth column includes 2023 forecasted values. Negative variances in the “% of 2023 Budget” column are highlighted in red. Note that the totals below do not include transfers in or out, which are part of the legal appropriation, or spending authority, for a fund. These transfers are relatively automatic and could inappropriately influence how a user interprets the tables.

General Fund Revenues:

	2023 Amended Budget	2023-24 Amended Budget	2023 Q3 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues					
<i>Property Taxes</i>	\$ 8,401,505	\$ 16,908,029	\$ 4,312,700	\$ 8,215,893	98%
<i>Sales & Use Tax¹</i>	\$ 3,058,696	\$ 6,241,880	\$ 1,884,549	\$ 2,727,640	89%
<i>Utility Taxes</i>	\$ 2,482,551	\$ 5,006,719	\$ 2,040,917	\$ 2,666,987	107%
<i>B&O Tax</i>	\$ 710,700	\$ 1,450,113	\$ 625,947	\$ 833,558	117%
<i>Charges for Goods / Services</i>	\$ 3,477,838	\$ 7,706,932	\$ 2,705,162	\$ 3,804,143	109%
<i>Permits</i>	\$ 580,158	\$ 1,442,885	\$ 440,078	\$ 600,883	104%
<i>Intergovernmental / Grants</i>	\$ 653,905	\$ 1,151,029	\$ 823,392	\$ 999,091	153%
<i>Fines & Penalties</i>	\$ 39,154	\$ 78,667	\$ 18,306	\$ 31,084	79%
<i>Miscellaneous</i>	\$ 218,540	\$ 477,464	\$ (1,415)	\$ 170,213	78%
Total Revenue =	\$ 19,623,047	\$ 40,463,718	\$ 12,849,635	\$ 20,049,493	102%
Expenditures					
<i>Administration</i>	\$ 5,461,502	\$ 10,909,069	\$ 4,160,174	\$ 5,551,980	102%
<i>Snoqualmie Police</i>	\$ 5,207,692	\$ 10,346,882	\$ 3,524,407	\$ 5,066,449	97%
<i>Fire & Emergency</i>	\$ 4,121,969	\$ 8,380,331	\$ 2,953,157	\$ 4,095,374	99%
<i>Parks</i>	\$ 1,862,517	\$ 3,708,535	\$ 1,268,796	\$ 1,853,600	100%
<i>Community Development</i>	\$ 2,275,257	\$ 4,770,051	\$ 1,078,278	\$ 1,770,329	78%
<i>Streets</i>	\$ 1,047,448	\$ 2,154,549	\$ 705,719	\$ 990,911	95%
<i>Non-Departmental</i>	\$ 755,035	\$ 1,514,373	\$ 550,622	\$ 821,213	109%
Total Expenditures =	\$ 20,731,420	\$ 41,783,790	\$ 14,241,152	\$ 20,149,857	97%

¹Does not include Affordable Housing Sales Tax, which is part of the Special Revenue Funds, or the Transportation Sales Tax, which is received into the Capital Project Funds.

Special Revenue Funds Forecast

	2023 Amended Budget	2024 Amended Budget	2023-24 Amended Budget	2023 Q3 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues						
012 Arts Activities	\$ 11,238	\$ 1,081	\$ 12,319	\$ 9,239	\$ 8,897	79%
014 North Bend Police Services	\$ 2,420,603	\$ 2,558,379	\$ 4,978,982	\$ 1,825,806	\$ 2,065,532	85%
018 Deposits Reimbursement Control	\$ 10,358	\$ 10,358	\$ 20,716	\$ -	\$ 8,558	83%
020 School Impact Fee	\$ -	\$ -	\$ -	\$ -	\$ -	100%
110 Hotel/Motel Tax	\$ 140,190	\$ 139,601	\$ 279,791	\$ 89,060	\$ 134,110	96%
118 Drug Enforcement	\$ 5,172	\$ 5,172	\$ 10,344	\$ 757	\$ 2,782	54%
123 Opioid Settlement	\$ -	\$ -	\$ -	\$ 15,955	\$ 15,955	100%
131 Affordable Housing	\$ 384,121	\$ 394,121	\$ 778,242	\$ 426,533	\$ 369,137	96%
144 Home Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	100%
150 Arpa Covid Local Recovery	\$ 28,327	\$ 9,454	\$ 37,781	\$ 38,181	\$ 55,974	198%
Total Revenue =	\$ 3,000,009	\$ 3,118,166	\$ 6,118,175	\$ 2,405,532	\$ 2,660,944	89%
Expenditures						
012 Arts Activities	\$ 60,856	\$ 37,136	\$ 97,992	\$ 9,239	\$ 31,739	52%
014 North Bend Police Services	\$ 2,568,165	\$ 2,663,241	\$ 5,231,406	\$ 1,727,042	\$ 2,343,869	91%
018 Deposits Reimbursement Control	\$ 10,358	\$ 10,358	\$ 20,716	\$ -	\$ 10,358	100%
020 School Impact Fee	\$ -	\$ -	\$ -	\$ -	\$ -	100%
110 Hotel/Motel Tax	\$ 175,000	\$ 175,000	\$ 350,000	\$ 4,429	\$ 148,475	85%
118 Drug Enforcement	\$ 5,172	\$ 5,172	\$ 10,344	\$ -	\$ 1,263	24%
123 Opioid Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	100%
131 Affordable Housing*	\$ 132,000	\$ -	\$ 132,000	\$ 120,726	\$ 120,726	91%
144 Home Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	0%
150 Arpa Covid Local Recovery	\$ 80,607	\$ 83,451	\$ 164,058	\$ 194,152	\$ 263,160	326%
Total Expenditures =	\$ 3,032,158	\$ 2,974,358	\$ 6,006,516	\$ 2,055,588	\$ 2,919,589	96%

*Little historical data exists for this line item, resulting in a skewed forecast. However, as no more is expected to be expended during year, the forecast has been modified to the actual expenditure.

Utility Funds Forecast

	2023 Amended Budget	2023-24 Amended Budget	2023 Q3 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues					
401 Water	\$ 5,190,814	\$ 10,695,633	\$ 4,075,333	\$ 5,517,634	106%
402 Sewer	\$ 6,447,608	\$ 13,161,403	\$ 4,849,509	\$ 6,632,206	103%
403 Stormwater	\$ 2,850,899	\$ 5,914,382	\$ 2,281,500	\$ 3,081,001	108%
Total Revenue =	\$ 14,489,321	\$ 29,771,418	\$ 11,206,343	\$ 15,230,841	105%
Expenditures					
401 Water	\$ 3,331,958	\$ 6,702,118	\$ 1,998,289	\$ 3,050,521	92%
402 Sewer	\$ 3,516,712	\$ 7,093,865	\$ 2,721,626	\$ 3,918,847	111%
403 Stormwater	\$ 1,928,375	\$ 3,867,256	\$ 1,230,932	\$ 1,834,309	95%
Total Expenditures =	\$ 8,777,045	\$ 17,663,239	\$ 5,950,847	\$ 8,803,676	100%

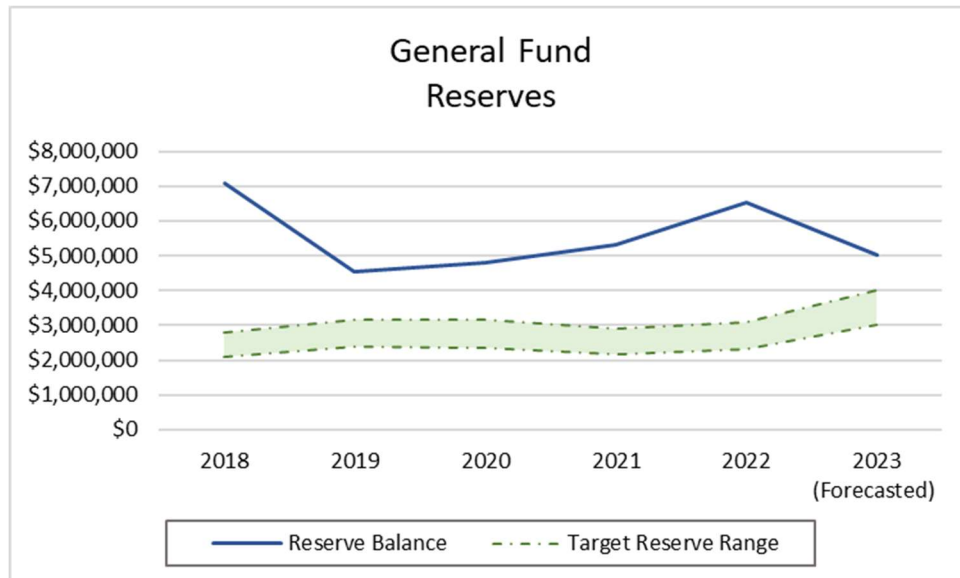
Internal Service Funds Forecast

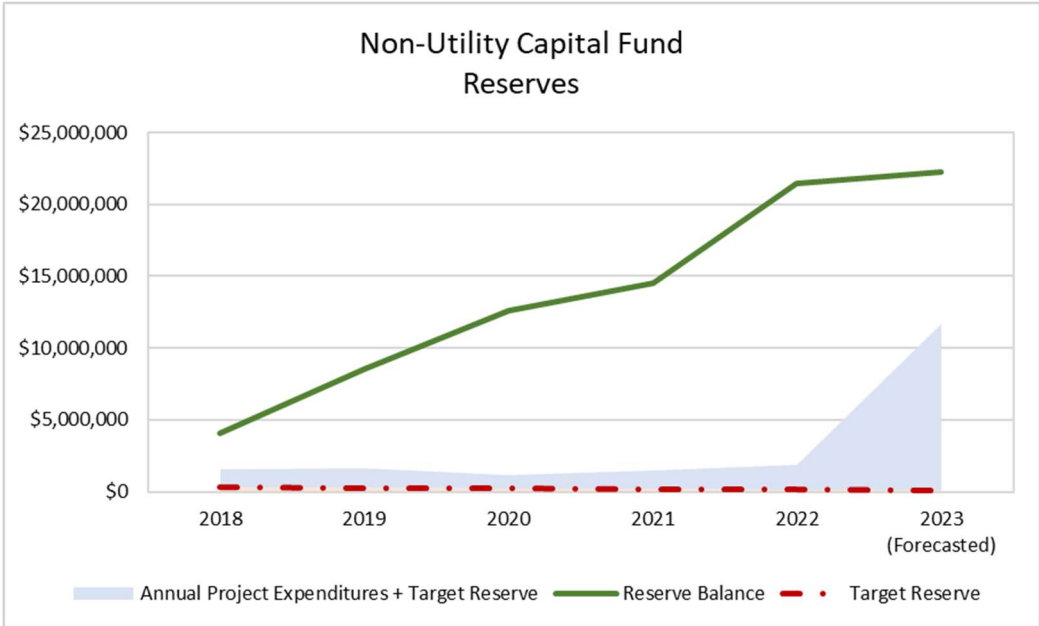
	2023 Amended Budget	2023-24 Amended Budget	2023 Q2 Actual	2023 Q4 Forecasted	Forecast as a % of 2023 Budget
Revenues					
401 Equipment Repair & Replacement	\$ 1,553,789	\$ 3,175,914	\$ 1,021,544	\$ 1,205,825	78%
402 Information Technology	\$ 2,507,771	\$ 5,179,380	\$ 1,781,758	\$ 2,104,175	84%
403 Facilities Maintenance	\$ 914,845	\$ 1,638,342	\$ 657,008	\$ 611,942	67%
Total Revenue =	\$ 4,976,405	\$ 9,993,636	\$ 3,460,309	\$ 3,921,942	79%
Expenditures					
401 Equipment Repair & Replacement	\$ 2,586,278	\$ 3,618,113	\$ 1,472,102	\$ 2,037,597	79%
402 Information Technology	\$ 3,342,449	\$ 6,500,789	\$ 1,826,444	\$ 2,230,044	67%
403 Facilities Maintenance	\$ 909,765	\$ 1,635,352	\$ 549,927	\$ 696,539	77%
Total Expenditures =	\$ 6,838,492	\$ 11,754,254	\$ 3,848,473	\$ 4,964,180	73%



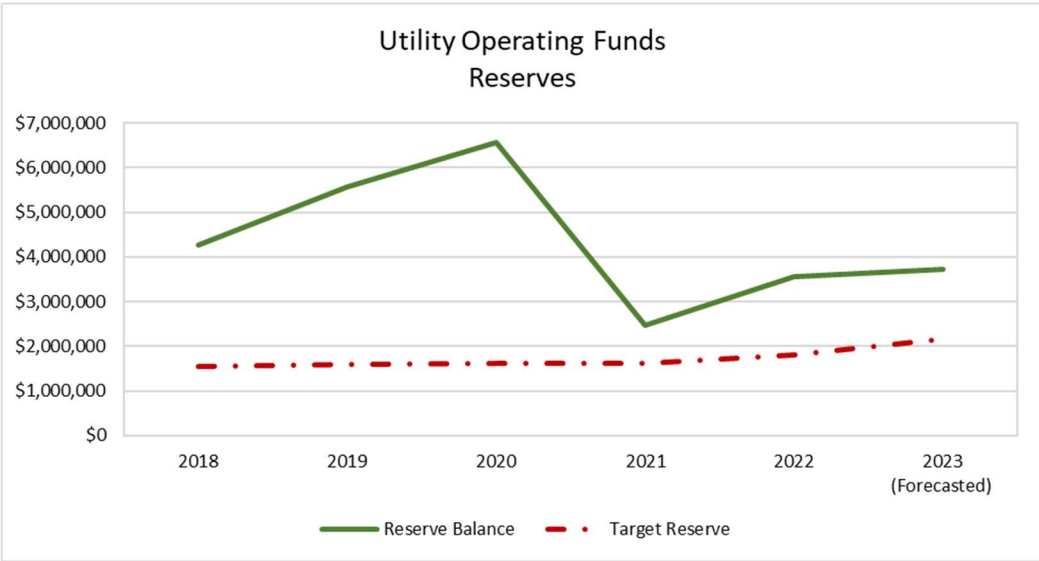
Reserve Balances

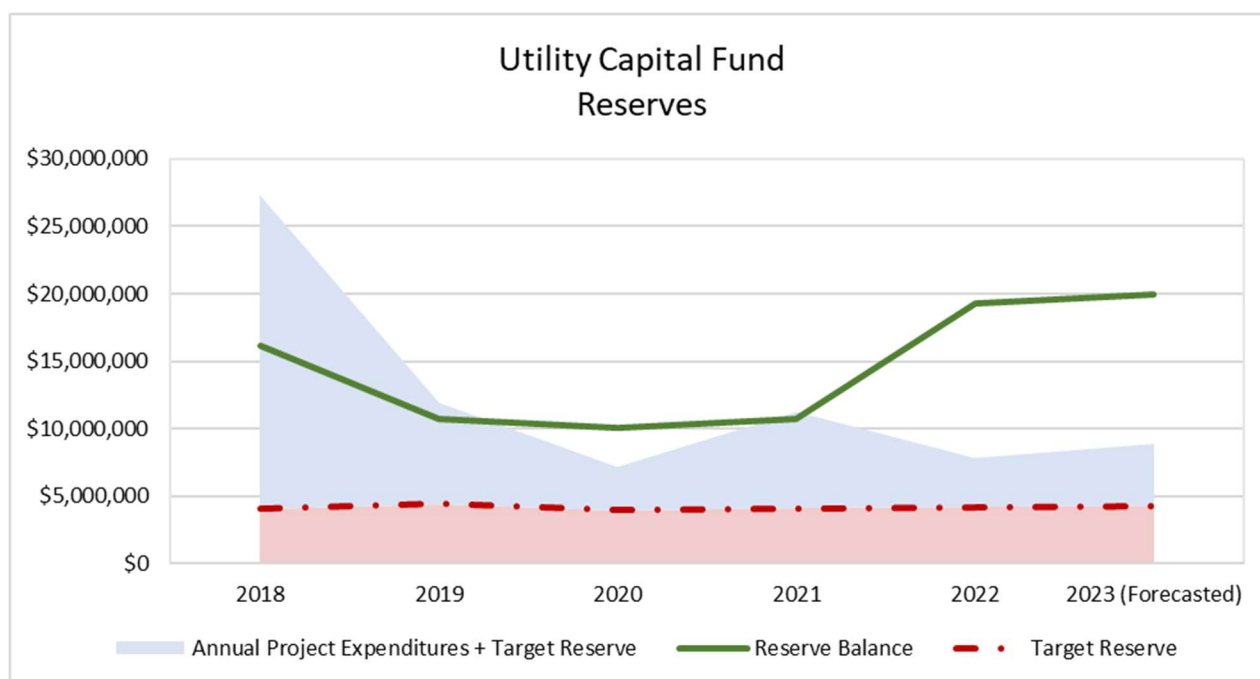
Reserve levels are set by the City’s Financial Management Policy. Policy states that General Fund reserves should be 15-20% of the fund’s expenditures. Utility Funds reserves should include 90 days of operating expenditures. The Utility Capital Fund should include both 125% of required debt payments and any reserves specified by the most recent utility rate study, which currently is defined as 1% of the net value of utility capital assets. Non-Utility Capital Funds should be “monitored to stay consistent with the need and use of the specific purpose of that fund,” including any debt service obligations. The Target reserve range for the Non-Utility Capital Fund graph below is based on debt service.





Note: For this graph, Annual Project Expenditures were added to Target Reserves to better show the level of funds required each year to meet Non-Utility Capital expenditures and align with the City’s Financial Management Policy.





Cash Balances by Fund

The net effect of the above revenues and expenditures, along with additional transfers in/out, resulted in the following cash balance changes between the end of 2022 and the September 18, 2023:

FUNDS	2022 Q4	2023 Q2	INCREASE / (DECREASE)
	CASH BALANCE	CASH BALANCE	
GENERAL FUNDS	6,527,736	4,001,449	(2,526,287)
SPECIAL REVENUE FUNDS	3,552,947	2,752,865	(800,082)
CAPITAL PROJECT FUNDS	21,441,542	24,762,618	3,321,076
UTILITY FUNDS	22,854,136	24,702,873	1,848,737
INTERNAL SERVICE FUNDS	4,720,633	4,482,469	(238,164)
TOTAL CASH BALANCE	59,096,994	60,702,275	1,605,281

The General Fund cash balance decreased by over \$2.5 million. This is due in large part to a \$1.8 million transfer to the Non-Utility Capital Fund and other planned spend in excess of revenues. The transfer to the Non-Utility Capital Fund is part of a budgeted \$2.5 million transfer from the General Fund designated to support the Community Center expansion.

The decrease in Special Revenue funds is primarily caused by transfers out of the ARPA fund to the General Fund and other payments made for COVID relief, the sum of which totals \$950 thousand.

Internal Service charges for September are not included in this report, as they are usually made at month's end. If these had been included for September, cash balances within Internal Service Funds would be approximately \$390 thousand higher than they currently are.



Looking Forward

The next few months at the City will include continued design work for the Community Center and the Water Reclamation Facility Phase 3 and construction work on the City's new splashpad. These projects, all included as part of the City's 2023-28 Capital Improvement Plan and in the 2023-24 Biennial Budget, will begin to take effect in the City's financial performance. The City is also in the process of negotiating with the Teamster and Snoqualmie Police Association Unions to decide upon a contract regarding employee compensation. In addition, progress on the ERP implementation will continue as more accounting functions prepare to move to the new system.

Fund #	Fund/ Functional Classification/ Department	2023-24 Estimated Revenue ¹	2023-24 Appropriation ²	Revenues through September 18, 2023 ¹	Expenditures through September 18, 2023 ²	Remaining Expenditure Appropriation	% Expenditure Appropriation
001	GENERAL FUND						
	Administrative Departments	40,463,718	10,909,069	12,849,635	4,160,174	6,748,894	38.1%
	Snoqualmie Police		10,346,882		3,524,407	6,822,475	34.1%
	Fire & Emergency Management		8,380,331		2,953,157	5,427,174	35.2%
	Parks		3,708,535		1,268,796	2,439,739	34.2%
	Community Development		4,770,051		1,125,678	3,644,373	23.6%
	Streets		2,154,549		705,719	1,448,830	32.8%
	Non-Departmental		1,514,373		550,622	963,751	36.4%
002	RESERVE FUND	98,739	-	67,367	-	-	0.0%
	Total General Funds	40,562,457	41,783,790	12,917,002	14,288,552	27,495,238	34.2%
012	ARTS ACTIVITIES	12,319	97,992	2,381	9,239	88,753	9.4%
014	NORTH BEND POLICE SERVICES	4,978,982	5,231,406	1,825,806	1,727,042	3,504,364	33.0%
018	DEPOSITS REIMBURSEMENT CONTROL	20,716	20,716	-	-	20,716	0.0%
020	SCHOOL IMPACT FEE	-	-	-	-	-	0.0%
110	HOTEL/MOTEL TAX	279,791	350,000	89,060	4,429	345,571	1.3%
118	DRUG ENFORCEMENT	10,344	10,344	757	-	10,344	0.0%
123	OPIOID SETTLEMENT	-	-	15,955	-	-	
131	AFFORDABLE HOUSING	778,242	132,000	426,533	120,726	11,275	91.5%
144	HOME ELEVATION	-	-	-	-	-	
150	ARPA COVID LOCAL RECOVERY	37,781	164,058	38,181	194,152	(30,094)	118.3%
	Total Special Revenue Funds	6,118,175	6,006,516	2,398,673	2,055,588	3,950,928	34.2%
310	NON-UTILITIES CAPITAL FUND	16,862,350	40,207,722	3,961,534	2,214,584	37,993,138	5.5%
	Total Capital Project Funds	16,862,350	40,207,722	3,961,534	2,214,584	37,993,138	5.5%
401	WATER OPERATIONS	10,695,633	6,702,118	4,075,333	1,998,289	4,703,829	29.8%
402	SEWER OPERATIONS	13,161,403	7,093,865	4,849,509	2,721,626	4,372,239	38.4%
403	STORMWATER OPERATIONS	5,914,382	3,867,256	2,281,500	1,230,932	2,636,324	31.8%
417	UTILITIES CAPITAL	11,983,089	28,812,374	828,202	3,839,560	24,972,814	13.3%
	Total Utilities Funds	41,754,507	46,475,613	12,034,545	9,790,407	36,685,206	21.1%
501	EQUIPMENT REPLACEMENT & REPAIR	3,175,914	3,618,113	1,021,544	1,472,102	2,146,011	40.7%
502	INFORMATION TECHNOLOGY	5,179,380	6,500,789	1,781,758	1,826,444	4,674,345	28.1%
510	FACILITIES MAINTENANCE	1,638,342	1,635,352	657,008	549,927	1,085,425	33.6%
	Total Internal Service Funds	9,993,636	11,754,254	3,460,309	3,848,473	7,905,781	32.7%
	Total All Funds	115,291,125	146,227,895	34,772,063	32,197,605	114,030,290	22.0%

¹These columns do not include interfund "Transfers In" because it could give the appearance that the City has more resources than it actually does.

²These columns do not include interfund "Transfers Out" which count as part of the overall legal "appropriation" for a fund or functional classification. This is because "Transfers Out" could inappropriately influence how a user interprets the amount the City of Snoqualmie has spent. "Appropriation" is the legal spending level authorized by a budget ordinance. The City cannot exceed this level without prior approval of Council.

**Appendix A2: 2023-2028 Capital Improvement Plan Forecast
Statement of Uses**

Capital Program or Project	2023 Budget	2023-24 Budget	2023 Q3 Actual	2023 Q4 Forecasted	2023-24 % of Budget
ESTIMATED NON-UTILITY USES					
<i>Transportation</i>					
Street Resurfacing Program	\$ 635,500	\$ 1,165,000	\$ 10,130	\$ 765,000	66%
Sidewalk Replacement Program	\$ 211,000	\$ 431,000	\$ 9,485	\$ 211,000	49%
Americans with Disabilities Act (ADA) Program	\$ 42,000	\$ 86,000	\$ 47,121	\$ 42,000	49%
Kimball Creek Bridges Restoration Project	\$ 718,000	\$ 1,318,000	\$ 48,117	\$ 131,800	10%
Snoqualmie Parkway Rehabilitation Project	\$ 6,400,000	\$ 6,400,000	\$ 936,780	\$ 4,265,505	67%
Town Center Improvement Project - Phase III	\$ 496,000	\$ 496,000	\$ 100,474	\$ 150,000	30%
Meadowbrook Bridge Restoration Project	\$ 864,000	\$ 1,744,000	\$ 114,109	\$ 174,400	10%
Total Transportation Projects =	\$ 9,366,500	\$ 11,640,000	\$ 1,266,217	\$ 5,739,705	49%
<i>Parks</i>					
Riverfront Land Acquisitions & Demolitions	\$ 570,000	\$ 1,470,000	\$ -	\$ 295,000	20%
Riverwalk Project - Northwest of Sandy Cove Park	\$ 2,111,000	\$ 2,708,000	\$ 30,774	\$ 270,800	10%
Meadowbrook Trail Project	\$ 240,000	\$ 240,000	\$ -	\$ -	0%
Sandy Cove Park Improvement Project	\$ 319,000	\$ 1,741,000	\$ -	\$ -	0%
Railroad Crossing Improvement	\$ 2,073,000	\$ 2,073,000	\$ -	\$ 207,300	10%
Playgrounds Replacement Program	\$ 528,000	\$ 528,000	\$ 540,883	\$ 528,000	100%
Trails Replacement Program	\$ -	\$ 108,000	\$ 8,715	\$ 97,200	90%
Sport Courts Replacement Program	\$ 21,000	\$ 44,000	\$ -	\$ 44,000	100%
Parks Parking Lot Resurfacing Program	\$ -	\$ 108,000	\$ -	\$ 10,800	10%
Parks Facilities Maintenance Program	\$ 32,000	\$ 66,000	\$ -	\$ 6,600	10%
Community Park Sprayground Project	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 900,000	60%
All-Inclusive Playground Project	\$ 876,000	\$ 876,000	\$ 7,513	\$ 876,000	100%
Total Parks Projects =	\$ 8,270,000	\$ 11,462,000	\$ 587,885	\$ 3,235,700	28%
<i>Facilities</i>					
Facilities Maintenance Program	\$ 740,000	\$ 960,000	\$ 296,490	\$ 960,000	100%
Community Center Expansion Project	\$ -	\$ 15,198,350	\$ 75,499	\$ 1,519,835	10%
Total Facilities Projects =	\$ 740,000	\$ 16,158,350	\$ 371,988	\$ 2,479,835	15%
Total Non-Utilities Uses =	\$ 18,376,500	\$ 39,260,350	\$ 2,226,090	\$ 11,455,240	29%

Capital Program or Project	2023 Budget	2023-24 Budget	2023 Q3 Actual	2023 Q4 Forecasted	2023-24 % of Budget
ESTIMATED UTILITY USES					
<i>Combined Utilities</i>					
Utility Main & Drainage System Replacement Program	\$ 987,000	\$ 3,121,000	\$ 1,849,151	\$ 987,000	32%
Total Combined Utilities =	\$ 987,000	\$ 3,121,000	\$ 1,849,151	\$ 987,000	32%
<i>Water Utility</i>					
Pressure Zone Conversions Project	\$ -	\$ 27,000	\$ -	\$ -	0%
Pressure Reducing Valve (PRV) Stations Project	\$ 84,000	\$ 321,000	\$ -	\$ -	0%
1040 Zone Booster Pump Station Improvement Project	\$ 38,000	\$ 432,000	\$ -	\$ -	0%
1040 Zone Reservoir Addition Project	\$ 38,000	\$ 432,000	\$ -	\$ -	0%
Source of Supply Improvement Project	\$ 686,000	\$ 815,000	\$ 122,159	\$ 200,000	25%
Snoqualmie Mill Water Main Loop Project	\$ 158,000	\$ 567,000	\$ -	\$ -	0%
Total Water Projects =	\$ 1,004,000	\$ 2,594,000	\$ 122,159	\$ 200,000	8%
<i>Sewer Utility</i>					
Railroad Place Lift Station Improvement Project	\$ 106,000	\$ 106,000	\$ 88,131	\$ 106,000	100%
Eagle Lake Water Reclamation Basin Improvement Project	\$ 106,000	\$ 321,000	\$ 61,036	\$ 106,000	33%
Water Reclamation Facility Improvements - Phase 3	\$ 2,805,000	\$ 13,357,000	\$ 831,830	\$ 2,003,550	15%
Total Sewer Projects =	\$ 3,017,000	\$ 13,784,000	\$ 980,997	\$ 2,215,550	16%
<i>Stormwater Utility</i>					
Ridge Street Drainage Improvement Project	\$ -	\$ 166,000	\$ -	\$ -	0%
Sandy Cove Park Riverbank Restoration & Outfall Project	\$ 581,000	\$ 3,618,000	\$ 259,618	\$ 510,000	14%
Urban Forestry Improvement Program	\$ 421,000	\$ 658,000	\$ 28,527	\$ 394,800	60%
Stormwater Pond Improvement Program	\$ 53,000	\$ 109,000	\$ 13,247	\$ 109,000	100%
Kimball Creek Riparian Restoration Project	\$ 79,000	\$ 240,000	\$ -	\$ 12,000	5%
Total Stormwater Projects =	\$ 1,134,000	\$ 4,791,000	\$ 301,392	\$ 1,025,800	21%
<i>Information Technology (IT) Project Contributions</i>					
Enterprise Resource Planning (ERP) Project	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	100%
Total IT Project Contributions =	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	100%
Total Utilities Uses =	\$ 6,292,000	\$ 24,440,000	\$ 3,403,699	\$ 4,578,350	19%
TOTAL CIP USES =	\$ 24,668,500	\$ 63,700,350	\$ 5,629,789	\$ 16,033,590	25%

Note 1: This table does not include debt expenditures. Differences between actual amounts spent on this table and actual amounts spent at A1 are due to debt expenditures and transfers out.
 Note 2: Labor and other department-level costs for actual and forecasted amounts are currently estimated through an allocation process relying on project expenditures. Starting in 2024, labor costs are expected to be allocated by time per project.