

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections September 2022

The City of Chicago’s monthly comparative estimate of revenue collections provides a summary of revenues received and transfers made in the City’s corporate fund for the current fiscal year. The information contained in these monthly reports is for informational purposes only and does not reflect final audited figures.

Historically, the City has waited until all revenue has been collected before publishing reports. This can delay the City’s ability to share data by up to five months. The changes made with this report allow the City to provide a more current and timely picture of its revenues.

This guide provides information to help read the report and understand the data shared.

READING THE REPORT

Corporate Fund January 2022 (in thousands)	1	2	3	1	2	3			4
	2021 Month Actuals	2022 Month Budgeted	2022 Month Collections	2021 YTD Actuals	YTD Budgeted	2022 YTD Collections	Difference	Percent	2022 Annual Budget

1. **2021 Month Actuals and YTD Actuals:** The actual revenue numbers for the prior year contained in this report remain estimates pending adjustments during the annual audit process.
2. **2022 Month Budgeted and YTD Budgeted:** Month Budgeted refers to the collections that are anticipated for the reporting month. What this means:
 - a. For some tax revenues there can be a 2–3-month difference between the month for which the tax is due and the month in which it is collected. This report pertains to the collection month, which means at the beginning of the fiscal year some tax revenues accrue to the prior fiscal year and do not appear in this report.
 - b. For some non-tax revenues, specifically fines, forfeitures and penalties and charges for service for which the City is reimbursed, the beginning of the fiscal year includes a mix of revenues related to the prior fiscal year as well as the current fiscal year. In those cases, actuals have been adjusted for known prior year collections.
 - c. Monthly budget amounts are created by taking the total revenue anticipated and allocating across months based on historical patterns, seasonality, and in the case of some tax revenues expected economic conditions.
3. **2022 Month Collections and YTD Collections:** Revenues reflect cash collections for the current budget year. 2021 Month Collections reflect the amount collected specifically in the reported month while the YTD Collections reflect the cumulative amount collected for the year, through the reporting month. Due to a lag in collections, some revenue streams do not begin for the current budget year until the second, third, or fourth month. As part of regular activity, the City reviews revenues received to ensure those revenues

City of Chicago Office of Budget and Management

Comparative Estimate of Revenue Collections

September 2022

are allocated to the appropriate period. The City could determine after these reports are published that some reported revenue belongs to a prior period and make adjustments to reflect those revenues in the proper period.

4. **2022 Annual Budget:** This column reflects collections expected for the full fiscal year.

UNDERSTANDING THE REPORT

Comparisons between these estimated budget revenues and collections are one indication of revenue performance and can indicate economic developments that may affect the annual revenue forecast. However, while budget estimates take some seasonality into account, there can be significant fluctuations from one month to the next, both in when revenues are received and at times, in the activities from which revenues are derived. Over the course of the year, many of these fluctuations even out. However, early in any fiscal year, these fluctuations can both give the impression of better or worse conditions and could mask underlying risks. As a result, the City intends to update its year end estimate with the annual Budget Forecast to be published in August.

MONTHLY ANALYSIS

This year, as the city recovered from the COVID-19 pandemic, the predictability of the path of its economic recovery remained uncertain and affected various revenue streams differently. Even during stable economic conditions, seasonality in some revenue streams and the irregular nature of others lead to significant variances from one month to the next that smooth out as the year progresses.

Total collections through September exceeded budget estimates by \$281.4 million. Personal Property Replacement Tax and Transaction taxes continue to outperform expectations. Fines, Forfeitures, and Penalties remain under budget due to greater compliance, while as well as Licenses, Permits, and Certificates. Variances from budget for internal service earnings are likely timing related.

The Office of Budget and Management (OBM) has revised year end estimates based on data collected through the summer months and will continue to monitor collections to inform any needed adjustments to the City's budget.

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections

Corporate Fund (in thousands) September 2022

	2021	2022		2021	YTD	2022	Diff	Percent Diff	2022 Annual Budget	
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections				
Local Tax										
Utility Taxes	31,607	29,368	32,046	250,038	239,924	272,031	32,107	13.4%	388,902	
Chicago Sales Taxes	4,251	4,376	4,738	55,429	56,160	69,862	13,701	24.4%	73,055	
Transaction Taxes	54,769	47,372	55,030	453,119	400,605	530,581	129,977	32.4%	582,313	
Transportation Taxes	26,480	28,431	31,348	160,547	237,907	229,475	(8,432)	-3.5%	336,087	
Recreation Taxes	20,610	24,898	23,610	150,924	191,725	207,934	16,209	8.5%	274,350	
Business Taxes	7,839	9,916	12,096	36,566	75,541	82,997	7,456	9.9%	112,744	
State Taxes/Revenues										
Income Tax	20,546	21,627	23,573	214,234	230,988	236,681	5,694	2.5%	366,600	
Personal Property Replacement Tax	-	-	-	155,342	97,460	292,175	194,715	199.8%	163,683	
Auto Rental Tax	393	380	685	1,450	1,787	2,147	360	20.2%	3,960	
State Reimbursements	812	184	587	1,726	1,379	1,989	610	44.3%	2,000	
Proceeds and Transfers										
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	385,000	
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000	
Sales Tax Corporation Residual	58,599	64,840	60,115	275,981	277,916	289,888	11,972	4.3%	569,933	
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000	
Local Non-Tax										
Licenses, Permits, and Certificates	9,168	9,698	10,107	82,913	90,854	77,514	(13,340)	-14.7%	119,600	
Fines, Forfeitures, and Penalties	29,467	30,236	28,611	228,749	278,807	236,093	(42,714)	-15.3%	369,700	
Charges for Service	29,184	5,339	43,926	233,893	236,519	245,957	9,438	4.0%	340,400	
Municipal Parking	536	742	497	5,530	5,888	5,298	(590)	-10.0%	7,600	
Leases, Rentals, and Sales Interest	152	584	282	5,510	8,491	12,617	4,125	48.6%	29,300	
Interest	-	-	-	-	-	-	-	NA	6,500	
Internal Service Earnings	118,160	65,399	32,893	270,771	310,068	207,913	(102,155)	-32.9%	485,773	
Other Revenue	18,387	13,974	6,489	74,898	81,273	103,500	22,226	27.3%	124,522	
Total Revenue	430,961	357,367	366,634	2,657,617	2,823,293	3,104,652	281,359	9.97%	4,836,022	

Month Budgeted refers to the month collections are anticipated. In some instances, there is a 2-3-month difference between the month for which a tax is due and the month in which it is collected.

Revenues are recorded at a point in time may not reflect all adjustments recorded in future periods