

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

August 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 continues to recover from the COVID-19 pandemic, the predictability of the path of its economic recovery continues to be uncertain and will likely affect 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 August exceeded budget estimates by \$327.1 million. Personal Property Replacement Tax, Transaction taxes, and the personal property lease tax continue to outperform expectations. Transportation taxes remain impacted by underperformance in the first quarter of 2022, while Fines, Forfeitures, and Penalties remain under budget due to greater compliance. Variances from budget for internal service earnings, charges for services, and other revenue 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.

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Corporate Fund (in thousands) August 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	37,384	35,918	39,370	218,429	210,556	239,956	29,400	14.0%	388,902
Chicago Sales Taxes	4,479	4,341	4,706	51,059	51,785	63,510	11,726	22.6%	73,055
Transaction Taxes	56,023	53,557	65,331	400,629	353,232	475,115	121,883	34.5%	582,313
Transportation Taxes	25,974	28,695	31,090	147,797	209,476	198,084	(11,391)	-5.4%	336,087
Recreation Taxes	21,107	21,674	24,147	129,924	166,827	183,901	17,074	10.2%	274,350
Business Taxes	8,548	10,126	13,938	28,726	65,626	70,726	5,100	7.8%	112,744
State Taxes/Revenues									
Income Tax	19,422	36,123	21,642	193,687	209,361	213,108	3,748	1.8%	366,600
Personal Property Replacement Tax	5,542	5,499	9,422	155,342	97,460	292,175	194,715	199.8%	163,683
Auto Rental Tax	339	306	297	1,057	1,406	1,462	56	3.9%	3,960
State Reimbursements	45	16	1	918	1,195	1,422	227	19.0%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	385,000
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	47,211	45,759	48,102	217,381	213,076	229,773	16,697	7.8%	569,933
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	9,734	10,663	10,853	74,003	81,155	67,571	(13,584)	-16.7%	119,600
Fines, Forfeitures, and Penalties	32,255	31,082	29,699	205,695	248,571	212,149	(36,422)	-14.7%	369,700
Charges for Service	59,734	26,751	33,171	206,848	210,006	204,829	(5,177)	-2.5%	340,400
Municipal Parking	617	706	552	5,012	5,146	4,823	(323)	-6.3%	7,600
Leases, Rentals, and Sales	1,720	772	582	7,089	7,907	12,391	4,484	56.7%	29,300
Interest	-	-	-	-	-	-	-	NA	6,500
Internal Service Earnings	25,066	30,344	28,546	175,101	244,669	182,122	(62,547)	-25.6%	485,773
Other Revenue	862	2,607	864	74,898	67,299	118,753	51,454	76.5%	124,522
Total Revenue	356,062	344,940	362,313	2,293,597	2,444,752	2,771,871	327,119	13.4%	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