

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

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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 that are 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 February were 4.1% over budget expectations. Transaction taxes, bolstered by real estate activity and the personal property lease tax, account for most of this increase. Revenue categories that fell below expectations include the City's sales taxes, business taxes, other permits and certificates, and other revenue. The Office of Budget and Management will continue to monitor collections as the year progresses.

In general, two months of collections are not sufficient to make any changes or adjustments to expectations for the full fiscal year.

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Corporate Fund (in thousands) February 2022

	2021	2022		2021	YTD	2022	Diff	Percent Diff	2022
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	Budgeted	YTD Collections			Annual Budget
Local Tax									
Utility Taxes	5,065	5,028	4,923	5,065	5,028	4,923	(105)	-2.1%	388,902
Chicago Sales Taxes	2,117	3,730	3,074	2,117	3,730	3,074	(656)	-17.6%	73,055
Transaction Taxes	45,553	46,300	62,742	57,338	57,185	82,591	25,406	44.4%	582,313
Transportation Taxes	13,941	30,304	21,345	19,969	30,304	30,898	594	2.0%	336,087
Recreation Taxes	13,543	26,398	23,825	14,285	27,731	25,528	(2,203)	-7.9%	274,350
Business Taxes	1,464	7,896	3,314	1,464	7,896	3,314	(4,582)	-58.0%	112,744
State Taxes/Revenues									
Income Tax	-	-	-	-	-	-	-	-	366,600
Personal Property	-	-	-	-	-	-	-	-	163,683
Replacement Tax									
Auto Rental Tax	-	-	-	-	-	-	-	-	3,960
State Reimbursements	3	27	2	41	65	77	12	18.9%	2,000
Proceeds and Transfers									
ARP Revenue Replacement	-	-	-	-	-	-	-	-	385,000
Reserve Fund Interest	-	-	-	-	-	-	-	-	19,000
Sales Tax Corporation Residual	-	-	-	-	-	-	-	-	569,933
Other Proceeds and Transfers	-	-	-	-	-	-	-	-	75,000
Local Non-Tax									
Licenses, Permits, and Certificates	7,757	9,443	7,805	14,775	19,777	16,905	(2,872)	-14.5%	119,600
Fines, Forfeitures, and Penalties	18,693	31,075	26,786	39,413	61,199	52,574	(8,625)	-14.1%	369,700
Charges for Service	30,823	24,641	30,644	8,930	50,972	60,286	9,314	18.3%	340,400
Municipal Parking	503	558	530	1,275	1,350	1,252	(97)	-7.2%	7,600
Leases, Rentals, and Sales	2,658	1,456	1,136	3,871	2,121	1,620	(501)	-23.6%	29,300
Interest	-	-	-	-	-	-	-	-	6,500
Internal Service Earnings	33,484	18,819	22,230	37,977	38,474	39,585	1,110	2.9%	485,773
Other Revenue	5,386	2,082	472	6,130	5,215	1,089	(4,125)	-79.1%	124,522
Total Revenue	180,989	207,758	208,826	212,651	311,048	323,717	12,669	4.1%	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