

Quarterly City Council Budget Report

This report contains an overview of the City's operating Corporate Fund revenues and expenditures for January through September 2022 as compared to budgeted amounts. The information in this report is the most accurate and up-to-date information available at the time of publication. However, this report is not an audited financial statement; the numbers provided herein are preliminary and subject to change as the year progresses. No data on revenues and expenditures is final until the City has completed its annual audit and finalized its Annual Financial Report (Annual Report), which is released in the summer of each year for the prior year.

It should be noted that the City balances its budget on an annual basis, and that the revenues and expenditures do not balance on a monthly or quarterly basis. This is the result of the inherent seasonality of many of these revenue streams and expenditures.

With respect to revenues, the City estimates monthly revenue amounts based on the overall expected revenue and historical monthly averages. These monthly estimates reflect historical patterns, seasonality, and other known factors that may affect certain revenue streams. The actual revenues contained in this report remain estimates pending adjustments that will be made as additional information and collections are received by the City.

One significant change between revenues reported here and how revenues have historically been reported is this report includes cash received during the reporting period as it relates to the current fiscal year.

One additional note on revenues: 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 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.

With respect to expenditures, the budget amounts presented in the expenditure table reflect the total department budget from the 2022 Annual Appropriation Ordinance. The City does not provide monthly or quarterly expenditure budget estimates as many expenditures are cyclical, seasonal, or otherwise fluctuate and are managed on an ongoing basis to not exceed the total annual appropriations. The expenditure data is extracted directly from the City's financial management system. Expenditures include funds that are encumbered but may not yet have been spent, such as the full-year cost of property rentals and payments under certain technology maintenance and licensing contracts. These figures represent a snapshot of City expenditures at a certain point in time and do not reflect final adjustment made to prepare the City's Annual Report.

Certain Finance General expenditures, such as debt payments and transfers to other funds, are not entered into the City's financial management system until the end of the year and may not be captured in this report.

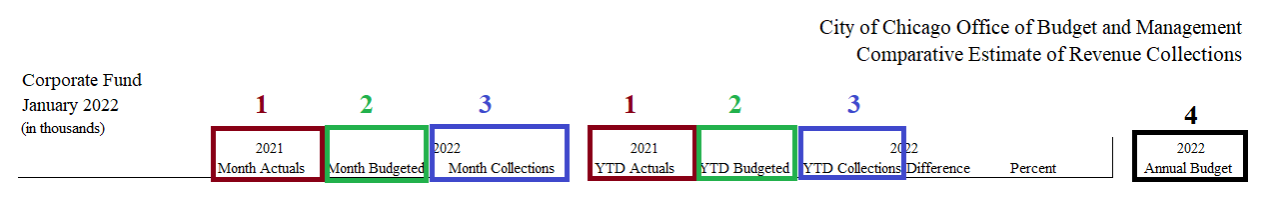
Comparative Estimate of Revenue Collections

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



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. 2022 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

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the second, third, or fourth month. As part of regular activity, the City reviews revenues received to ensure those revenues 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 updated its year end estimate with the annual Budget Forecast, 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, 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.

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Comparative Estimate of Revenue Collections**

Corporate Fund (in thousands)
September 2022

	2021 Month Actuals	2022		2021 YTD Actuals	YTD Budgeted	2022 YTD Collections	Diff	Percent Diff	2022 Annual Budget
		Month Budgeted	Month 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	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

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CORPORATE FUND ENCUMBRANCES & EXPENDITURES: THROUGH SEPTEMBER 2022

DEPARTMENT	2022 BUDGET	ENCUMBRANCES & EXPENDITURES THROUGH SEPTEMBER 2022	% SPENT
FINANCE AND ADMINISTRATION			
001 - Office of The Mayor	\$11.1M	\$7.5M	67.3%
005 - Office of Budget and Management	\$3.3M	\$1.6M	47.8%
025 - City Clerk	\$4.4M	\$2.3M	52.4%
027 - Department of Finance	\$69.6M	\$43.9M	63.0%
028 - City Treasurer	\$2.2M	\$1.6M	70.0%
030 - Department of Administrative Hearings	\$8.2M	\$4.6M	56.1%
031 - Department of Law	\$31.8M	\$18.9M	59.2%
033 - Department of Human Resources	\$7.2M	\$4.7M	65.8%
035 - Department of Procurement Services	\$7.8M	\$3.6M	46.8%
038 - Department of Assets, Information, and Services	\$256.1M	\$105.1M	41.0%
TOTAL	\$401.7M	\$193.7M	48.2%
INFRASTRUCTURE SERVICES			
081 - Department of Streets and Sanitation	\$184.8M	\$104.3M	56.5%
084 - Chicago Department of Transportation	\$40.9M	\$31.3M	76.5%
TOTAL	\$225.6M	\$135.6M	60.1%
PUBLIC SAFETY			
051 - Office of Public Safety Administration	\$46.4M	\$32.0M	69.0%
055 - Police Board	\$0.6M	\$.4M	65.7%
057 - Chicago Police Department	\$1,700.0M	\$1,224.9M	72.1%
058 - Office of Emergency Management and Communications	\$11.0M	\$10.0M	90.6%
059 - Chicago Fire Department	\$673.8M	\$473.4M	70.3%
060 - Civilian Office of Police Accountability	\$14.7M	\$8.7M	59.2%
062 - Community Commission for Public Safety and Accountability	\$3.4M	\$0.1M	3.2%
TOTAL	\$2,449.4M	\$1,749.6M	71.4%
COMMUNITY SERVICES			
041 - Department of Public Health	\$64.1M	\$40.3M	62.9%
045 - Commission on Human Relations	\$1.2M	\$0.7M	62.7%
048 - Mayor's Office For People With Disabilities	\$2.5M	\$1.6M	63.0%

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DEPARTMENT	2022 BUDGET	ENCUMBRANCES & EXPENDITURES THROUGH SEPTEMBER 2022	% SPENT
050 - Department of Family and Support Services	\$99.5M	\$90.0M	90.4%
TOTAL	\$167.2M	\$132.5M	79.2%
LEGISLATIVE AND ELECTIONS			
015 - City Council	\$33.8M	\$20.0M	59.1%
039 - Board of Election Commissioners	\$25.8M	\$25.8M	41.2%
TOTAL	\$59.6M	\$30.6M	51.4%
CITY DEVELOPMENT			
021 - Department of Housing	\$10.3M	\$8.9M	86.5%
054 - Department of Planning and Development	\$13.3M	\$10.3M	77.9%
TOTAL	\$23.5M	\$19.2M	81.7%
REGULATORY			
003 - Office of Inspector General	\$11.7M	\$6.0M	51.2%
067 - Department of Buildings	\$22.4M	\$14.4M	64.4%
070 - Department of Business Affairs and Consumer Protection	\$21.0M	\$14.9M	71.0%
073 - Chicago Animal Care and Control	\$7.2M	\$4.4M	61.4%
077 - License Appeal Commission	\$0.2M	\$0.1M	54.3%
078 - Board of Ethics	\$0.9M	\$0.6M	61.8%
TOTAL	\$63.4M	\$40.4M	63.7%
FINANCE GENERAL			
099 - Finance General	\$1,500M	\$560.7M	37.2%
TOTAL	\$1,500M	\$560.7M	37.2%
GRAND TOTAL	\$4,899.9M	\$2,862.4M	58.4%

As is stated in the beginning of this document, the 2022 Budget amounts presented in the expenditure tables in this report reflect the total department Corporate Fund budget from the 2022 Annual Appropriation Ordinance. The City does not provide quarterly expenditure budget estimates as many expenditures are cyclical, seasonal, or otherwise fluctuate and are managed on an ongoing basis to not exceed the total annual appropriations per department.