

## **Quarterly City Council Budget Report**

This report contains an overview of the City's operating Corporate Fund revenues and expenditures for January through September 2021 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 2021 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 into 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

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

Corporate Fund February 2021 (in thousands)	2020			2021			Difference	Percent	2021 Annual Budget
	1 Month Actuals	2 Month Budgeted	3 Month Collections	1 YTD Actuals	2 YTD Budgeted	3 YTD Collections			
<b>Local Tax</b>									
Utility Taxes	6,103	5,859	5,064	6,103	5,859	5,064	(794)	-13.6%	390,803
Chicago Sales Taxes	3,048	2,145	1,824	3,048	2,145	1,824	(321)	-15.0%	63,639
Transaction Taxes	41,780	35,676	44,623	49,015	44,841	56,408	11,567	25.8%	478,129
Transportation Taxes	33,303	20,217	13,981	33,303	20,217	13,981	(6,236)	-30.8%	308,693
Recreation Taxes	24,823	13,703	13,491	26,069	15,099	14,234	(865)	-5.7%	223,911
Business Taxes	5,462	1,741	1,433	5,462	1,741	1,433	(307)	-17.7%	66,122
<b>State Taxes/Revenues</b>									
Income Tax	24,790	28,316	29,592	24,790	28,316	29,592	1,275	4.5%	262,279
Personal Property									

**1. 2020 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. 2021 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. 2021 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 City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections June 2021 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 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. **2021 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.

Most of the City's sales tax revenues collected by the State go first to the Sales Tax Securitization Corporation (STSC), which issues bonds on the City's behalf and "withholds" a portion of the sales tax revenue for debt service. Revenues not withheld for debt service are then passed to the city as "residual" revenue and are reported here under Proceeds and Transfers. In the 2021 budget appropriation, the City anticipated refinancing existing bonds, which would have decreased debt service and increased the residual to the City. The anticipated refinancing has not occurred, so the budgeted and actual revenues reported reflect increased withholdings for STSC debt service and decreased residual to the City compared to what would have occurred under the refinancing scenario.

## **MONTHLY ANALYSIS**

Even during stable economic conditions, seasonality in some revenue streams and the irregular nature of others lead to significant variances from one year to the next that smooth out as the year progresses. This year, as the City entered a recovery from the COVID-19 pandemic, the predictability of the path of that recovery is still uncertain and likely to affect various revenue streams differently.

Total collections through September 2021 are above budget expectations due to strong transaction tax performance, including the personal property lease tax and real property transaction tax, as well as income tax revenue and personal property replacement tax revenue. Reimbursements for charges for service, while also higher than expected, is likely due to timing of when reimbursements have occurred. Other revenues continue to show the effects of the pandemic and the resulting economic downturn but are showing signs of recovery as the pandemic's impact wanes and lagging revenues are received

Corporate Fund  
September 2021  
(in thousands)

	2021			2020					2021 Annual Budget
	Month Actuals	Month Budgeted	Month Collections	YTD Actuals	YTD Budgeted	YTD Collections	Difference	Percent	
<b>Local Tax</b>									
Utility Taxes	30,033	29,684	31,595	241,540	243,802	247,555	3,753	1.5%	390,803
Chicago Sales Taxes	2,577	3,582	4,137	42,752	49,065	47,416	(1,649)	-3.4%	63,639
Transaction Taxes	35,103	39,162	53,867	312,697	328,684	444,842	116,158	35.3%	478,129
Transportation Taxes	15,164	29,867	26,673	147,966	191,376	159,919	(31,457)	-16.4%	308,693
Recreation Taxes	11,752	20,102	20,166	126,107	140,008	145,739	5,731	4.1%	223,911
Business Taxes	1,888	7,054	7,679	22,122	37,962	35,524	(2,438)	-6.4%	66,122
<b>State Taxes/Revenues</b>									
Income Tax	20,083	14,946	20,546	172,779	155,670	214,234	58,563	37.6%	262,279
Personal Property Replacement Tax	-	-	-	100,294	87,596	155,342	67,746	77.3%	147,000
Auto Rental Tax	191	322	393	949	1,496	1,450	(47)	-3.1%	3,332
State Reimbursements	23	478	812	580	1,570	2,045	475	30.2%	2,000
<b>Proceeds and Transfers</b>									
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000
Sales Tax Corporation Residual	35,169	43,891	58,599	221,143	213,452	275,981	62,529	29.3%	570,179
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	23,000
<b>Local Non-Tax</b>									
Licenses, Permits, and Certificates	8,602	9,462	8,967	84,677	89,266	84,488	(4,778)	-5.4%	119,200
Fines, Forfeitures, and Penalties	21,833	32,140	29,349	166,864	283,895	228,633	(55,263)	-19.5%	381,500
Charges for Service	24,880	20,332	28,915	130,547	149,213	220,689	71,476	47.9%	277,900
Municipal Parking	918	672	536	5,637	5,834	5,759	(74)	-1.3%	7,600
Leases, Rentals, and Sales	485	555	152	6,324	10,967	5,769	(5,198)	-47.4%	39,300
Interest	-	-	-	-	-	-	-	NA	6,500
Internal Service Earnings	208,066	26,139	122,265	375,041	203,054	299,205	96,151	47.4%	410,732
Other Revenue	12,548	2,800	471	90,110	95,800	76,199	(19,601)	-20.5%	125,820
<b>Total Revenue</b>	<b>429,314</b>	<b>281,189</b>	<b>415,121</b>	<b>2,248,130</b>	<b>2,288,710</b>	<b>2,650,788</b>	<b>362,078</b>	<b>15.8%</b>	<b>3,926,639</b>

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

Sales Tax Corporation Residual Annual Budget amount anticipated reductions in withholding resulting from the refinancing proposal included with the 2021 appropriation. Expected and actuals instead reflect current withholding schedule.

**CORPORATE FUND ENCUMBRANCES & EXPENDITURES: THRU SEPTEMBER 2021**

	<b>2021 Budget</b>	<b>ENCUMBRANCES &amp; EXPENDITURES THROUGH SEPTEMBER 2021</b>	<b>% SPENT</b>
<b>FINANCE AND ADMINISTRATION</b>			
001 - OFFICE OF THE MAYOR	\$9.91M	\$6.80M	68.6%
005 - OFFICE OF BUDGET AND MANAGEMENT	\$2.92M	\$2.03M	69.5%
025 - CITY CLERK	\$3.80M	\$2.47M	65.2%
027 - DEPARTMENT OF FINANCE	\$64.94M	\$41.13M	63.3%
028 - CITY TREASURER	\$1.61M	\$1.11M	69.2%
030 - DEPARTMENT OF ADMINISTRATIVE HEARINGS	\$7.77M	\$4.71M	60.6%
031 - DEPARTMENT OF LAW	\$29.82M	\$19.74M	66.2%
033 - DEPARTMENT OF HUMAN RESOURCES	\$6.20M	\$4.15M	66.9%
035 - DEPARTMENT OF PROCUREMENT SERVICES	\$6.12M	\$3.96M	64.8%
038 - DEPARTMENT OF ASSETS, INFORMATION, AND SERVICES	\$229.92M	\$162.52M	70.7%
<b>Total</b>	<b>\$363.00M</b>	<b>\$248.61M</b>	<b>68.5%</b>
<b>INFRASTRUCTURE SERVICES</b>			
081 - DEPARTMENT OF STREETS AND SANITATION	\$170.13M	\$123.41M	72.5%
084 - CHICAGO DEPARTMENT OF TRANSPORTATION	\$45.17M	\$28.12M	62.3%
<b>Total</b>	<b>\$215.30M</b>	<b>\$151.53M</b>	<b>70.4%</b>
<b>PUBLIC SAFETY</b>			
051 - OFFICE OF PUBLIC SAFETY ADMINISTRATION	\$30.63M	\$17.60M	57.5%
055 - POLICE BOARD	\$0.56M	\$0.25M	43.6%
057 - CHICAGO POLICE DEPARTMENT	\$1,556.83M	\$1,119.96M	71.9%
058 - OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS	\$10.67M	\$8.88M	83.3%
059 - CHICAGO FIRE DEPARTMENT	\$644.44M	\$466.29M	72.4%
060 - CIVILIAN OFFICE OF POLICE ACCOUNTABILITY	\$13.31M	\$8.08M	60.7%
<b>Total</b>	<b>\$2,256.44M</b>	<b>\$1,621.06M</b>	<b>71.8%</b>
<b>COMMUNITY SERVICES</b>			
041 - DEPARTMENT OF PUBLIC HEALTH	\$57.34M	\$42.87M	74.8%
045 - COMMISSION ON HUMAN RELATIONS	\$1.07M	\$0.64M	60.2%
048 - MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES	\$1.87M	\$1.29M	68.6%
050 - DEPARTMENT OF FAMILY AND SUPPORT SERVICES	\$95.39M	\$74.15M	77.7%
<b>Total</b>	<b>\$155.67M</b>	<b>\$118.94M</b>	<b>76.4%</b>

	2021 Budget	ENCUMBERANCES & EXPENDITURES THROUGH SEPTEMBER 2021	% SPENT
<b>LEGISLATIVE AND ELECTIONS</b>			
015 - CITY COUNCIL	\$27.76M	\$18.32M	66.0%
039 - BOARD OF ELECTION COMMISSIONERS	\$13.91M	\$7.12M	51.2%
<b>Total</b>	<b>\$41.66M</b>	<b>\$25.44M</b>	<b>61.1%</b>
<b>CITY DEVELOPMENT</b>			
021 - DEPARTMENT OF HOUSING	\$9.99M	\$8.77M	87.8%
054 - DEPARTMENT OF PLANNING AND DEVELOPMENT	\$11.91M	\$7.18M	60.3%
<b>Total</b>	<b>\$21.90M</b>	<b>\$15.95M</b>	<b>72.8%</b>
<b>REGULATORY</b>			
003 - OFFICE OF INSPECTOR GENERAL	\$7.91M	\$4.91M	62.1%
067 - DEPARTMENT OF BUILDINGS	\$21.35M	\$14.55M	68.2%
070 - DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION	\$19.45M	\$13.83M	71.1%
073 - CHICAGO ANIMAL CARE AND CONTROL	\$7.02M	\$4.22M	60.0%
077 - LICENSE APPEAL COMMISSION	\$0.19M	\$0.09M	46.7%
078 - BOARD OF ETHICS	\$0.87M	\$0.58M	66.5%
<b>Total</b>	<b>\$56.80M</b>	<b>\$38.18M</b>	<b>67.2%</b>
<b>GENERAL FINANCING REQUIREMENTS</b>			
099 - FINANCE GENERAL	\$926.87M	\$468.3M	50.5%
<b>Total</b>	<b>\$926.87M</b>	<b>\$468.3M</b>	<b>50.5%</b>
<b>Grand Total</b>	<b>\$4,037.64M</b>	<b>\$2,688.0M</b>	<b>66.6%</b>

As is stated in the beginning of this document, the 2021 Budget amounts presented in the expenditure tables in this report reflect the total department Corporate Fund budget from the 2021 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.