

## **Quarterly City Council Budget Report**

This report contains an overview of the City's operating Corporate Fund revenues and expenditures for January through December 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-end close out process continues. 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 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. 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 pension payments and transfers to other funds, are paid annually after year-end and may not all be captured in this report.

## **REVENUE YEAR END ESTIMATE ANALYSIS**

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.

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.

Year-end revenue estimates are currently 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. Other revenues continue to show the effects of the pandemic and resulting economic downturn but are showing signs of recovery as the pandemic impacts wane and as lagging revenues are received.

**City of Chicago Office of Budget and Management**

**Corporate Fund**

**2021 Year End Estimate (in thousands)**

	2020				2021			
	Budget	Collections	Difference	Percent	Budget	Collections	Difference	Percent
<b>Local Tax</b>								
Utility Taxes	416,114	391,368	(24,746)	-5.9%	390,803	408,012	17,209	4.4%
Chicago Sales Taxes	74,043	58,690	(15,353)	-20.7%	63,639	77,656	14,017	22.0%
Transaction Taxes	508,851	477,464	(31,387)	-6.2%	478,129	679,416	201,287	42.1%
Transportation Taxes	383,586	193,912	(189,674)	-49.4%	308,693	255,695	(52,998)	-17.2%
Recreation Taxes	273,349	178,124	(95,225)	-34.8%	223,911	239,437	15,526	6.9%
Business Taxes	134,400	31,930	(102,470)	-76.2%	66,122	72,944	6,822	10.3%
<b>State Taxes/Revenues</b>								
Income Tax	269,780	321,432	51,652	19.1%	319,228	376,733	57,505	18.0%
Personal Property Replacement Tax	157,223	165,830	8,607	5.5%	200,000	370,734	170,734	85.4%
Auto Rental Tax	4,150	2,083	(2,067)	-49.8%	3,332	3,937	605	18.2%
State Reimbursements	2,000	1,431	(569)	-28.5%	2,000	1,845	(155)	-7.8%
<b>Proceeds and Transfers</b>								
American Rescue Plan Revenue Replacement	-	-	-		782,200	782,200	-	0.0%
Reserve Fund Interest	19,000	16,029	(2,971)	-15.6%	19,000	28,089	9,089	47.8%
Sales Tax Corporation Residual	615,510	475,658	(139,852)	-22.7%	628,776	640,589	11,813	1.9%
Other Proceeds and Transfers	8,000	8,797	797	10.0%	23,000	3,283	(19,717)	-85.7%
<b>Local Non-Tax</b>								
Licenses, Permits, and Certificates	128,300	107,810	(20,490)	-16.0%	119,200	115,374	(3,826)	-3.2%
Fines, Forfeitures, and Penalties	342,700	230,638	(112,062)	-32.7%	381,500	315,733	(65,767)	-17.2%
Charges for Service	460,200	317,903	(142,297)	-30.9%	277,900	328,881	50,981	18.3%
Municipal Parking	7,600	7,055	(545)	-7.2%	7,600	7,371	(229)	-3.0%
Leases, Rentals, and Sales	33,700	11,302	(22,398)	-66.5%	39,300	15,476	(23,824)	-60.6%
Interest	3,500	24,140	20,640	NA	6,500	(4,963)	(11,463)	-176.4%
Internal Service Earnings	361,463	444,572	83,109	23.0%	410,732	383,391	(27,341)	-6.7%
Other Revenue	134,745	122,308	(12,437)	-9.2%	125,820	125,996	176	0.1%
Prior Year Fund Balance	81,000	-	(81,000)	-100.0%	111,000	-	(111,000)	-100.0%
<b>Total Revenue</b>	<b>4,419,214</b>	<b>3,588,476</b>	<b>(830,738)</b>	<b>-18.8%</b>	<b>4,988,385</b>	<b>5,227,829</b>	<b>239,444</b>	<b>4.8%</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

**City of Chicago Office of Budget and Management**

**CORPORATE FUND ENCUMBRANCES & EXPENDITURES: YEAR END ESTIMATE**

<b>DEPARTMENT</b>	<b>2021 Budget</b>	<b>YEAR END ENCUMBRANCES &amp; EXPENDITURES</b>	<b>% SPENT</b>
<b>FINANCE AND ADMINISTRATION</b>			
001 - OFFICE OF THE MAYOR	\$9.91M	\$9.60M	96.8%
005 - OFFICE OF BUDGET AND MANAGEMENT	\$2.92M	\$2.80M	95.6%
025 - CITY CLERK	\$3.80M	\$3.55M	93.6%
027 - DEPARTMENT OF FINANCE	\$64.94M	\$57.49M	88.5%
028 - CITY TREASURER	\$1.61M	\$1.62M	101.0%
030 - DEPARTMENT OF ADMINISTRATIVE HEARINGS	\$7.77M	\$6.93M	89.3%
031 - DEPARTMENT OF LAW	\$29.82M	\$27.61M	92.6%
033 - DEPARTMENT OF HUMAN RESOURCES	\$6.20M	\$5.90M	95.1%
035 - DEPARTMENT OF PROCUREMENT SERVICES	\$6.12M	\$5.58M	91.3%
038 - DEPARTMENT OF ASSETS, INFORMATION, AND SERVICES	\$229.92M	\$222.6M	96.8%
<b>Total</b>	<b>\$363.00M</b>	<b>\$343.7M</b>	<b>94.7%</b>
<b>INFRASTRUCTURE SERVICES</b>			
081 - DEPARTMENT OF STREETS AND SANITATION	\$170.13M	\$173.47M	102.0%
084 - CHICAGO DEPARTMENT OF TRANSPORTATION	\$45.17M	\$43.71	96.8%
<b>Total</b>	<b>\$215.30M</b>	<b>\$217.18M</b>	<b>100.9%</b>
<b>PUBLIC SAFETY</b>			
051 - OFFICE OF PUBLIC SAFETY ADMINISTRATION	\$30.63M	\$27.56M	90.0%
055 - POLICE BOARD	\$0.56M	\$0.39M	69.4%
057 - CHICAGO POLICE DEPARTMENT	\$1,556.83M	\$1,616.28M	103.8%
058 - OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS	\$10.67M	\$10.56M	99.0%
059 - CHICAGO FIRE DEPARTMENT	\$644.44M	\$653.11M	101.3%
060 - CIVILIAN OFFICE OF POLICE ACCOUNTABILITY	\$13.31M	\$11.82M	88.8%
<b>Total</b>	<b>\$2,256.44M</b>	<b>\$2,319.74M</b>	<b>102.8%</b>
<b>COMMUNITY SERVICES</b>			
041 - DEPARTMENT OF PUBLIC HEALTH	\$57.34M	\$41.01M	71.5%
045 - COMMISSION ON HUMAN RELATIONS	\$1.07M	\$0.90M	85.0%
048 - MAYOR'S OFFICE FOR PEOPLE WITH DISABILITIES	\$1.87M	\$1.58M	84.1%
050 - DEPARTMENT OF FAMILY AND SUPPORT SERVICES	\$95.39M	\$91.70M	96.1%
<b>Total</b>	<b>\$155.67M</b>	<b>\$135.20M</b>	<b>86.8%</b>

**City of Chicago Office of Budget and Management**

<b>DEPARTMENT</b>	<b>2021 Budget</b>	<b>YEAR END ENCUMBRANCES &amp; EXPENDITURES</b>	<b>% SPENT</b>
<b>LEGISLATIVE AND ELECTIONS</b>			
015 - CITY COUNCIL	\$27.76M	\$26.10M	94.0%
039 - BOARD OF ELECTION COMMISSIONERS	\$13.91M	\$12.23M	88.3%
<b>Total</b>	<b>\$41.66M</b>	<b>\$38.38M</b>	<b>92.1%</b>
<b>CITY DEVELOPMENT</b>			
021 - DEPARTMENT OF HOUSING	\$9.99M	\$10.01M	100.2%
054 - DEPARTMENT OF PLANNING AND DEVELOPMENT	\$11.91M	\$10.71M	90.0%
<b>Total</b>	<b>\$21.90M</b>	<b>\$20.72M</b>	<b>94.6%</b>
<b>REGULATORY</b>			
003 - OFFICE OF INSPECTOR GENERAL	\$7.91M	\$7.40M	93.6%
067 - DEPARTMENT OF BUILDINGS	\$21.35M	\$21.37M	100.1%
070 - DEPARTMENT OF BUSINESS AFFAIRS AND CONSUMER PROTECTION	\$19.45M	\$17.43M	89.6%
073 - CHICAGO ANIMAL CARE AND CONTROL	\$7.02M	\$6.10M	86.7%
077 - LICENSE APPEAL COMMISSION	\$0.19M	\$0.14M	73.7%
078 - BOARD OF ETHICS	\$0.87M	\$0.83M	95.9%
<b>Total</b>	<b>\$56.80M</b>	<b>\$53.27M</b>	<b>93.8%</b>
<b>FINANCE GENERAL</b>			
099 - FINANCE GENERAL	\$1,877.61M	\$1,832.21M	97.6%
<b>Total</b>	<b>\$1,877.61M</b>	<b>\$1,832.21M</b>	<b>97.6%</b>
<b>Grand Total</b>	<b>\$4,988.38M</b>	<b>\$4,960.44M</b>	<b>98.7%</b>