

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections October 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 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 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 October exceeded budget estimates by \$381.0 million. Personal Property Replacement Tax and Transaction taxes continue to outperform expectations. Fines, Forfeitures, and Penalties remain under budget due to greater compliance, while 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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Corporate Fund (in thousands) October 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	30,680	27,279	29,475	281,361	267,203	301,544	34,342	12.9%	388,902	
Chicago Sales Taxes	4,280	4,373	4,801	59,704	60,533	75,916	15,383	25.4%	73,055	
Transaction Taxes	54,462	46,252	56,626	514,341	446,857	592,886	146,029	32.7%	582,313	
Transportation Taxes	26,998	29,484	27,683	187,097	267,391	257,316	(10,075)	-3.8%	336,087	
Recreation Taxes	19,085	19,404	24,961	170,397	211,129	232,688	21,559	10.2%	274,350	
Business Taxes	8,400	11,021	13,850	46,098	86,563	97,255	10,692	12.4%	112,744	
State Taxes/Revenues										
Income Tax	37,848	24,303	43,676	252,081	255,291	280,358	25,067	9.8%	366,600	
Personal Property Replacement Tax	72,613	26,256	111,146	227,956	123,716	403,321	279,604	226.0%	163,683	
Auto Rental Tax	477	428	564	1,927	2,215	2,711	496	22.4%	3,960	
State Reimbursements	20	250	26	1,745	1,628	2,015	387	23.7%	2,000	
Proceeds and Transfers										
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	385,000	
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000	
Sales Tax Corporation Residual	55,724	47,511	54,377	331,705	325,427	344,266	18,839	5.8%	569,933	
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000	
Local Non-Tax										
Licenses, Permits, and Certificates	9,270	11,334	9,493	92,183	102,187	87,378	(14,809)	-14.5%	119,600	
Fines, Forfeitures, and Penalties	29,350	31,966	32,175	258,098	310,773	268,268	(42,505)	-13.7%	369,700	
Charges for Service	30,703	27,396	38,062	264,596	263,915	286,141	22,225	8.4%	340,400	
Municipal Parking	500	586	518	6,030	6,474	5,816	(658)	-10.2%	7,600	
Leases, Rentals, and Sales Interest	432	1,199	324	5,942	9,691	12,945	3,254	33.6%	29,300	
	-	-	-	-	-	-	-	NA	6,500	
Internal Service Earnings	34,046	33,587	31,284	327,652	348,592	237,678	(110,914)	-31.8%	485,773	
Other Revenue	17,999	4,968	4,274	74,898	86,242	68,341	(17,901)	-20.8%	137,022	
Total Revenue	432,888	347,598	483,315	3,103,811	3,175,827	3,556,842	381,015	12.0%	4,848,522	

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