

City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections July 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)	City of Chicago Office of Budget and Management Comparative Estimate of Revenue Collections									
	<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> 1 2 3 1 2 3 </div> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 16.6%;">2021 Month Actuals</td> <td style="width: 16.6%;">2022 Month Budgeted</td> <td style="width: 16.6%;">2022 Month Collections</td> <td style="width: 16.6%;">2021 YTD Actuals</td> <td style="width: 16.6%;">2022 YTD Budgeted</td> <td style="width: 16.6%;">2022 YTD Collections</td> <td style="width: 16.6%;">Difference</td> <td style="width: 16.6%;">Percent</td> </tr> </table>	2021 Month Actuals	2022 Month Budgeted	2022 Month Collections	2021 YTD Actuals	2022 YTD Budgeted	2022 YTD Collections	Difference	Percent	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> 4 2022 Annual Budget </div>
2021 Month Actuals	2022 Month Budgeted	2022 Month Collections	2021 YTD Actuals	2022 YTD Budgeted	2022 YTD Collections	Difference	Percent			

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 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 July exceeded budget estimates by \$313.4 million. Transaction taxes, supported by a strong real estate market through the first seven months of the year, as well as the personal property lease tax continue to perform better than expected. Utility tax collections, driven by high natural gas prices, remained higher than budgeted totals. Transportation taxes, lagging from underperformance in the first quarter of 2022, have shown continued improvement April onwards. Variances from budget for internal service earnings, charges for services, and other revenue are likely timing related. As the Office of Budget and Management (OBM) continues to collect data through the third quarter, trends should emerge that will help inform any needed adjustments to the City's budget.

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

Corporate Fund (in thousands) July 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	-	29,271	33,891	147,153	174,638	200,585	25,947	14.9%	388,902	
Chicago Sales Taxes	28,508	28,760	37,562	46,579	47,443	58,656	11,213	23.6%	73,055	
Transaction Taxes	71,275	67,989	74,549	344,606	299,675	409,646	109,971	36.7%	582,313	
Transportation Taxes	24,992	30,198	31,985	121,810	180,781	166,965	(13,816)	-7.6%	336,087	
Recreation Taxes	29,879	23,783	28,352	108,815	145,152	159,775	14,622	10.1%	274,350	
Business Taxes	7,052	12,853	16,156	20,176	55,499	56,787	1,288	2.3%	112,744	
State Taxes/Revenues										
Income Tax	35,077	26,508	40,860	174,265	173,237	191,467	18,229	10.5%	366,600	
Personal Property Replacement Tax	43,582	26,237	82,523	149,800	91,961	282,753	190,793	207.5%	163,683	
Auto Rental Tax	240	270	504	718	1,101	1,165	64	5.9%	3,960	
State Reimbursements	601	351	200	873	1,179	1,421	242	20.5%	2,000	
Proceeds and Transfers										
ARP Revenue Replacement	-	-	-	-	-	-	-	NA	385,000	
Reserve Fund Interest	-	-	-	-	-	-	-	NA	19,000	
Sales Tax Corporation Residual	43,302	42,078	42,880	170,171	167,317	181,671	14,354	8.6%	569,933	
Other Proceeds and Transfers	-	-	-	-	-	-	-	NA	75,000	
Local Non-Tax										
Licenses, Permits, and Certificates	11,845	10,131	8,670	64,269	70,493	56,718	(13,775)	-19.5%	119,600	
Fines, Forfeitures, and Penalties	28,991	35,272	28,530	173,441	217,489	182,450	(35,040)	-16.1%	369,700	
Charges for Service	24,490	28,091	49,265	147,113	183,255	171,657	(11,597)	-6.3%	340,400	
Municipal Parking	618	674	598	4,395	4,440	4,270	(170)	-3.8%	7,600	
Leases, Rentals, and Sales	1,769	841	1,436	5,369	7,135	11,809	4,675	65.5%	29,300	
Interest	-	-	-	-	-	-	-	NA	6,500	
Internal Service Earnings	27,455	34,324	23,578	151,874	214,325	156,686	(57,638)	-26.9%	485,773	
Other Revenue	2,192	4,243	3,008	74,898	64,692	118,753	54,061	83.6%	124,522	
Total Revenue	381,868	401,874	504,546	1,906,325	2,099,812	2,413,234	313,422	14.9%	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