



## **OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR**

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007:09:SDG:VDJ:fs

### **Letter Report: Comparative Analysis of Actual Cash Collections to the Revised Revenue Estimate Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**

**June 5, 2009**



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The Honorable Vincent C. Gray  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, D.C. 20004

### **Letter Report:** Comparative Analysis of Actual Cash Collections to the Revised Revenue Estimate Through the 4<sup>th</sup> Quarter of Fiscal Year 2008

Dear Chairman Gray and Members of the Council of the District of Columbia:

This letter report presents the Office of the District of Columbia Auditor's (ODCA) comparison of the District of Columbia's (District) actual cash collections through the 4<sup>th</sup> quarter of fiscal year (FY) 2008 to the revised FY 2008 revenue estimate for the 4<sup>th</sup> quarter.

### **BACKGROUND**

In May 2007, pursuant to the Home Rule Act, as amended by Public Law 104-8,<sup>1</sup> and Public Law 106-522, the District of Columbia Appropriations Act for Fiscal Year 2001,<sup>2</sup> the District's Chief Financial Officer (CFO) issued a certified FY 2008 original revenue estimate of \$5.165 billion.<sup>3</sup> The \$5.165 billion non-dedicated Local Fund revenue estimate was used as the baseline for the FY 2008 budget. Revisions to the \$5.165 billion estimate are presented below:

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<sup>1</sup>See Pub. L. 104-8, (109 Stat; D.C. Code Section 1-204.24c(5) (A) and (B)).

<sup>2</sup>See Pub. L. No. 106-522, 114 Stat. 2440.

<sup>3</sup>See FY 2008 Proposed Budget and Financial Plan, Volume 1, Executive Summary, dated June 7, 2007, page 4-16, "Operating Revenue by Source, Fiscal Years 2006 - 2011." The FY 2008 revenue estimate presented in this report represents the non-dedicated local fund revenue estimate and does not include the FY 2008 special purpose revenue fund (O-type) estimate of \$367.03 million. However, an overall discussion of special purpose revenue fund (O-type) is included in a later section of this report.

- Revision #1 In September 2007, the CFO revised the estimate upward to \$5.188 billion<sup>4</sup> which was a net increase of \$23.5 million over the \$5.165 billion FY 2008 original revenue estimate.
- Revision #2 In December 2007, the CFO revised the FY 2008 revenue estimate upward to \$5.238 billion<sup>5</sup> which was a net increase of \$49.9 million over the \$5.188 billion September 2007 revenue estimate, and a \$73 million increase over the \$5.165 billion FY 2008 original revenue estimate;
- Revision #3 In February 2008, the CFO revised the FY 2008 revenue estimate upward to \$5.242 billion<sup>6</sup> which was a net increase of \$4.2 million over the \$5.238 billion December 2007 estimate, a \$54 million increase over the \$5.188 billion September 2007 revenue estimate, and a \$77 million increase over the \$5.165 billion FY 2008 original revenue estimate;
- Revision #4 In May 2008, the CFO revised the FY 2008 revenue estimate upward to \$5.255 billion<sup>7</sup> which was a net increase of \$13.1 million over the \$5.242 billion February 2008 estimate, a \$17 million increase over the \$5.238 billion December 2007 estimate, a \$67 million increase over the \$5.188 billion September 2007 revenue estimate, and a \$90 million increase over the \$5.165 billion FY 2008 original revenue estimate; and
- Revision #5 In September 2008, the CFO revised the FY 2008 revenue estimate upward to \$5.273 billion<sup>8</sup> which was an \$18.4 million increase over the \$5.255 billion May 2008 estimate, a net increase of \$31 million over the February 2008 estimate, a \$35 million

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<sup>4</sup>The CFO certified additional revenue of \$30.2 million. The FY 2008 Budget and Financial Plan, dated June 7, 2007, included (\$6.7) million of policy changes. The \$30.2 million in additional revenue, and the impact of the policy changes, totaling (\$6.7) million, resulted in a net increase of \$23.5 million over the \$5.165 billion May 2007 FY 2008 original revenue estimate.

<sup>5</sup>The CFO certified additional revenue of \$49.9 million.

<sup>6</sup>The CFO certified additional revenue of \$4.2 million.

<sup>7</sup>The CFO certified additional revenue of \$13.1 million.

<sup>8</sup>The CFO certified additional revenue of \$17.2 million. The FY 2009 Proposed Budget and Financial Plan, dated June 9, 2008, included \$1.2 million of policy changes. The \$17.2 million in additional revenue, and the impact of the policy changes, totaling \$1.2 million, resulted in a net increase of \$18.4 million over the \$5.255 billion May 2008 revised revenue estimate.

increase over the \$5.238 billion December 2007 estimate, an \$85 million increase over the \$5.188 billion September 2007 revenue estimate, and a \$108 million increase over the \$5.165 billion FY 2008 original revenue estimate.

## **METHODOLOGY**

In conducting the comparative analysis, the Auditor reviewed: (1) the \$5.273 billion estimate; (2) the FY 2008 4<sup>th</sup> quarter Comparative Report of Cash Collections by Funds prepared by the Chief Financial Officer's Office of Revenue Analysis (ORA); and (3) other relevant information.<sup>9</sup> Additional information reviewed by the Auditor included economic data from several sources, including The Conference Board, the George Mason University of Regional Analysis, Eagle Eye Inc., the District's Department of Employment Services (DOES), the Office of Finance and Treasury (OFT), the Greater Capital Area Association of Realtors (GCAAR), United States Department of Labor, Bureau of Labor Statistics (BLS), the District of Columbia Lottery and Charitable Games Board (D.C. Lottery), and Destination D.C.<sup>10</sup>

The Auditor interviewed ORA officials regarding cash collections through the 4<sup>th</sup> quarter of FY 2008 and representatives from other governmental organizations regarding their knowledge of overall economic conditions that affect the District.

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<sup>9</sup>The Auditor also reviewed year-end information presented in the FY 2008 Comprehensive Annual Financial Report (CAFR). However, the FY 2008 CAFR was not released until January 30, 2009 and the information and analysis contained in this comparative analysis reflects results through September 30, 2008.

<sup>10</sup>Formerly called the Washington D.C. Convention and Tourism Corporation.

## RESULTS OF ANALYSIS

Actual cash collections from: (1) tax, (2) non-tax, and (3) other financing sources through the 4<sup>th</sup> quarter of FY 2008 totaled \$5.472 billion, which were \$199 million, or 3.8%, above the \$5.273 billion revised estimate through the 4<sup>th</sup> quarter and \$307 million, or 6%, above the \$5.165 billion FY 2008 original revenue estimate.<sup>11</sup> The \$5.472 billion in actual cash collections represented 104% of the \$5.273 billion FY 2008 revised revenue estimate.<sup>12</sup> Collections through the 4<sup>th</sup> quarter from tax, non-tax, and other financing sources are presented below.

- ◆ **Tax** - total tax collections were \$5.042 billion, which were \$176 million, or 3.6%, above the revised tax estimate of \$4.866 billion through September 2008.
- ◆ **Non-tax** - total non-tax collections were \$359 million, which were \$22 million, or 6.4%, above the revised non-tax estimate of \$337 million through September 2008.
- ◆ **Other financing sources** - collections from other financing sources, which consisted of legalized gambling, totaled \$70.9 million. These collections were \$875,000, or 1.3%, above the revised other financing sources estimate of \$70 million through September 2008.

Table I compares actual cash collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008 for tax, non-tax, and other financing sources. Appendix I presents a graphical depiction of the information in Table I as well as other tables presented in this report.

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<sup>11</sup>Rounding may affect some calculations presented in this report.

<sup>12</sup>The \$5.273 billion revised revenue estimate and \$5.472 billion in collections through the 4<sup>th</sup> quarter of FY 2008 are presented net of funds transferred to dedicated purposes including the Washington Convention Center Authority. The estimate and transfer also does not include special purpose revenue fund (O-type).

**TABLE I**  
**Cash Collections Summary**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Collections Category     | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/(Under)<br>Revised Estimate | Percentage<br>Difference |
|--------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|--------------------------|
| Tax                      | \$5,042,042                                                          | \$4,866,082                                                        | \$175,960                                              | 3.6%                     |
| Non-Tax                  | 359,249                                                              | 337,580                                                            | 21,669                                                 | 6.4%                     |
| Other Financing Sources  | 70,875                                                               | 70,000                                                             | 875                                                    | 1.3%                     |
| <b>Total Collections</b> | <b>\$5,472,166</b>                                                   | <b>\$5,273,662</b>                                                 | <b>\$198,504</b>                                       | <b>3.8%</b>              |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA.

In conducting the analysis of cash collections through the 4<sup>th</sup> quarter of FY 2008, the Auditor compared the 4<sup>th</sup> quarter collection trends for the five prior fiscal years from FY 2004 through the 4<sup>th</sup> quarter of FY 2008. These comparisons are presented in Appendix II. During the five-fiscal year period, collections in each revenue category fluctuated from year to year. However, the Auditor notes that 4<sup>th</sup> quarter collections in general property taxes, and income taxes steadily increased over the five-fiscal year period. A discussion of the fluctuation in each of the tax and non-tax revenue categories is presented later in this report.

Appendix III presents a comparison of collections through the 4<sup>th</sup> quarter of FY 2008 to 4<sup>th</sup> quarter collections for FY 2007 in each tax and non-tax category.

### **GENERAL PROPERTY TAXES**

General property taxes include: (A) real property taxes, (B) personal property taxes, and (C) public space rental. The FY 2008 revised estimate for general property taxes is \$1.747 billion. Collections of general property taxes through the 4<sup>th</sup> quarter of FY 2008 totaled \$1.732 billion, which were:

- ◆ \$15 million, or .9%, below the \$1.747 billion 4<sup>th</sup> quarter FY 2008 revised estimate;
- and
- ◆ \$211 million, or 13.9%, above collections for the same period in FY 2007.

Collections of general property taxes through the 4<sup>th</sup> quarter represented 99% of the annual total revised revenue estimate for this category. Table II compares actual collections of general property taxes to the revised estimate through the 4<sup>th</sup> quarter of FY 2008.

**TABLE II**  
**General Property Taxes:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
(\$000)

| General Property Taxes              | Actual Collections Through the 4 <sup>th</sup> Quarter FY 2008 | Revised Estimate Through the 4 <sup>th</sup> Quarter FY 2008 | Difference: Actual Over/(Under) Revised Estimate | Percentage Difference |
|-------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------|-----------------------|
| Real Property                       | \$1,670,643                                                    | \$1,696,694                                                  | (\$26,051)                                       | (1.5%)                |
| Personal Property                   | 60,800                                                         | 50,125                                                       | 10,675                                           | 21.3%                 |
| Public Space Rental <sup>13</sup>   | 3                                                              | 0                                                            | 3                                                | 0%                    |
| <b>Total General Property Taxes</b> | <b>\$1,731,446</b>                                             | <b>\$1,746,819</b>                                           | <b>(\$15,373)</b>                                | <b>(.9%)</b>          |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

#### **A. Real Property Tax Collections**

Real property tax collections through the 4<sup>th</sup> quarter of FY 2008 totaled \$1.671 billion. These collections were \$26.01 million, or 1.5%, below the \$1.697 billion revised estimate. The real property tax category is the largest component of general property taxes.

The fact that collections are below the estimate may be due, in part, to the fact that the second half of 2008 real property tax bills, which were due in September, may not have been received by the end of the fiscal year. Therefore, the District expected to receive additional collections in October and November 2008, which may have increased collections overall for FY 2008.

Further, the District normally holds a tax sale of delinquent tax properties in July/August of each year. This year the tax sale was not held until September. Because the sale was held so close to the end of the fiscal year, all collections related to the tax sale may not be reflected in September's report of cash collections.

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<sup>13</sup>Public space rental collections are not used for general fund purposes but are dedicated to the District Department of Transportation.

An ORA official indicated that the collection of additional real property taxes as a result of the tax sale as well as collections of the 2<sup>nd</sup> half of real property tax bills should reduce the shortfall in real property tax collections and may result in the District achieving the FY 2008 revenue estimate in the tax category.

**The Auditor noted that real property tax refunds through the 4<sup>th</sup> quarter totaled \$7.7 million and were \$12.3 million, or 61.7%, below the \$20 million estimate. Refunds through the 4<sup>th</sup> quarter of FY 2008 were also \$13 million, or 62.9%, below refunds through the 4<sup>th</sup> quarter of fiscal year 2007.**

**B. Personal Property Tax Collections**

Personal property tax collections through the 4<sup>th</sup> quarter of FY 2008 totaled \$61 million. These collections were \$11 million, or 22%, above the \$50 million revised estimate. The annual due date for personal property tax returns is July 31<sup>st</sup>.

According to ORA officials, the District should achieve the revised estimate in the general property taxes category for FY 2008.<sup>14</sup>

**GENERAL SALES AND USE TAXES**

The FY 2008 revised estimate for general sales and use taxes is \$755.7 million.<sup>15</sup> Collections of general sales and use taxes through the 4<sup>th</sup> quarter totaled \$869 million, which were:

- ◆ \$113 million, or 15%, above the \$756 million 4<sup>th</sup> quarter revised FY 2008 estimate;  
and
- ◆ \$149 million, or 20.8%, above collections for the same period in FY 2007.

General sales and use tax collections through the 4<sup>th</sup> quarter represented 115% of the total FY 2008 revised estimate for this category. Table III compares actual collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008.

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<sup>14</sup> According to information presented in the FY 2008 CAFR, the District did not achieve the revised estimate in the general property taxes category for FY 2008.

<sup>15</sup> Presented net of dedicated general sales and use taxes transferred to other dedicated purposes including the Washington Convention Center Authority.

**TABLE III**  
**General Sales and Use Taxes:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| General Sales and Use Taxes        | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/(Under)<br>Revised Estimate | Percentage<br>Difference |
|------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|--------------------------|
| <b>General Sales and Use Taxes</b> | \$868,975                                                            | \$755,738                                                          | \$113,237                                              | 15%                      |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

Collections of general sales and use taxes through the 4<sup>th</sup> quarter totaled \$869 million. Actual collections through the 4<sup>th</sup> quarter were \$113 million, or 15%, above the \$756 million revised 4<sup>th</sup> quarter estimate. The fact that collections of general sales and use taxes were above the estimate may be due, in part, to increased spending associated with the presidential campaigns. According to ORA officials, at least one presidential candidate's headquarters was located in the Washington metropolitan area and may have resulted in increased activity in hotel and related spending.

Also, according to data obtained from Destination DC, hotel occupancy rates for the 4<sup>th</sup> quarter of FY 2008 were, on average, approximately 2.6% higher than the average occupancy rates for the same period in FY 2007. Also, total room revenue for the 4<sup>th</sup> quarter of FY 2008 was approximately \$19.4 million higher than room revenue for the 4<sup>th</sup> quarter of FY 2007.

Overall, the District expects to achieve the FY 2008 revised estimate in the general sales and use taxes category.<sup>16</sup>

### **SELECTIVE SALES AND USE TAXES**

Selective sales and use taxes include: (A) alcoholic beverage, (B) cigarette, and (C) motor vehicle excise taxes. The FY 2008 revised estimate for selective sales and use taxes is \$71.65 million. Collections through the 4<sup>th</sup> quarter of FY 2008 totaled \$68.73 million, which were:

- ◆ \$2.9 million, or 4.1%, below the \$71.65 million 4<sup>th</sup> quarter FY 2008 revised estimate;  
and
- ◆ \$1.3 million, or 1.9%, below collections for the same period in FY 2007.

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<sup>16</sup> According to information presented in the FY 2008 CAFR, the District did not achieve the revised estimate in the general sales and use taxes category for FY 2008.

Selective sales and use tax collections through the 4<sup>th</sup> quarter represented 96% of the total FY 2008 revised estimate for this category. Table IV compares actual collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008.

**TABLE IV**  
**Selective Sales and Use Taxes:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Selective Sales and Use Taxes              | Actual Collections Through the 4 <sup>th</sup> Quarter FY 2008 | Revised Estimate Through the 4 <sup>th</sup> Quarter FY 2008 | Difference: Actual Over/(Under) Revised Estimate | Percentage Difference |
|--------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------|-----------------------|
| Alcoholic Beverage                         | \$5,157                                                        | \$5,087                                                      | \$70                                             | 1.4%                  |
| Cigarette                                  | 23,900                                                         | 20,990                                                       | 2,910                                            | 13.9%                 |
| Motor Vehicle Excise                       | 39,674                                                         | 45,571                                                       | (5,897)                                          | (12.9%)               |
| <b>Total Selective Sales and Use Taxes</b> | <b>\$68,731</b>                                                | <b>\$71,648</b>                                              | <b>(\$2,917)</b>                                 | <b>(4.1%)</b>         |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

**A. Alcoholic Beverage Tax**

Alcoholic beverage tax collections through the 4<sup>th</sup> quarter totaled \$5.16 million. These collections were \$70,000, or 1.4%, above the \$5.09 million revised estimate.

**B. Cigarette Tax**

Cigarette tax collections through the 4<sup>th</sup> quarter totaled \$23.9 million. These collections were \$2.9 million, or 13.9%, above the \$20.9 million revised estimate.

**C. Motor Vehicle Excise Tax**

Motor vehicle excise tax collections through the 4<sup>th</sup> quarter totaled \$39.67 million. These collections were \$5.89 million, or 12.9%, below the \$45.57 million revised estimate. ORA officials indicated that one reason for the deficit in this tax category was the slowdown in automobile sales.

Overall, the District may not achieve the FY 2008 revised estimate in the selective sales and use taxes category.<sup>17</sup>

## **INCOME TAXES**

Income taxes include: (A) individual income tax, (B) corporate franchise tax, and (C) unincorporated business franchise tax. The FY 2008 revised estimate for the income taxes category is \$1.756 billion. Collections through the 4<sup>th</sup> quarter of FY 2008 totaled \$1.775 billion, which were:

- ◆ \$19.3 million, or 1.1%, above the \$1.756 billion 4<sup>th</sup> quarter revised estimate; and
- ◆ \$43 million, or 2.5%, above collections for the same period in FY 2007.

Income taxes collected through the 4<sup>th</sup> quarter represented approximately 101% of the total FY 2008 revised revenue estimate for this category. Table V compares actual collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008.

**TABLE V**  
**Income Taxes:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Income Taxes                             | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/Under Revised<br>Estimate | Percentage<br>Difference |
|------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------|--------------------------|
| Individual Income Tax                    | \$1,354,815                                                          | \$1,355,947                                                        | (\$1,132)                                            | (.1%)                    |
| Corporate Franchise Tax                  | 290,656                                                              | 255,210                                                            | 35,446                                               | 13.9%                    |
| Unincorporated Business<br>Franchise Tax | 129,460                                                              | 144,432                                                            | (14,972)                                             | (10.4%)                  |
| <b>Total Income Taxes</b>                | <b>\$1,774,931</b>                                                   | <b>\$1,755,589</b>                                                 | <b>\$19,342</b>                                      | <b>1.1%</b>              |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

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<sup>17</sup> According to information presented in the FY 2008 CAFR, the District did not achieve the revised estimate in the selective sales and use taxes category for FY 2008.

**A. Individual Income Tax**

Individual income tax collections through the 4<sup>th</sup> quarter totaled \$1.354 billion. This tax is the largest in the income taxes category. These collections were \$1.1 million, or .1%, below the \$1.356 billion revised estimate.

The Auditor noted that collections from individual income tax withholding through the 4<sup>th</sup> quarter totaled \$974.90 million and were \$27.3 million, or 2.7%, below the \$1.002 billion estimate through the 4<sup>th</sup> quarter. Collections may have been below the estimate due to higher unemployment rates. According to DOES, the District's seasonally adjusted unemployment rate as of September 2008 was 7%, up 0.1%, from the August 2008 rate. The September 2008 rate was also 1.3% higher than September 2007. The unemployment rate in August 2008 was 6.9%, which was 0.2% higher than the July 2008 rate and also was 1.2% higher than August 2007.

On the other hand, individual income tax declarations (estimated tax payments) totaled \$288.13 million and were \$11.9 million, or 4.3%, above the \$276.27 million estimate through the 4<sup>th</sup> quarter.

Overall, collections of individual income taxes are slightly below the estimate for FY 2008.

**B. Corporate Franchise Tax**

Corporate franchise tax collections through the 4<sup>th</sup> quarter totaled \$290.7 million. The collections were \$35.5 million, or 13.9%, above the \$255.2 million revised estimate. According to information obtained from the George Mason University Center for Regional Analysis, federal procurement spending increased through 2007 as compared to 2005 and 2006. This increased federal procurement spending may account, in part, for the increase in corporate franchise tax collections.

**C. Unincorporated Business Franchise Tax**

Unincorporated business franchise tax collections through the 4<sup>th</sup> quarter totaled \$129.46 million. The collections were \$14.9 million, or 10.4%, below the \$144.4 million revised estimate. According to ORA representatives, many unincorporated business franchise taxpayers are partnerships associated with the real estate management industry. The unincorporated business franchise tax revenue is closely tied to the performance of the real estate market. Therefore, the

lower than estimated collections may be due, in part, to the slowdown in the real estate market. Additionally, declarations (estimated tax payments) of unincorporated business franchise tax through the 4<sup>th</sup> quarter of FY 2008 totaled \$59.5 million. These declarations were \$23.3 million, or 28.1%, below the estimate of \$82.8 million through the 4<sup>th</sup> quarter.

Overall, the District appears on course to achieve the FY 2008 estimate in the income taxes category.<sup>18</sup>

## **GROSS RECEIPTS TAXES**

Gross receipts taxes include: (A) public utilities tax, (B) toll telecommunications tax, and (C) insurance premiums tax. The total FY 2008 revised estimate for the gross receipts taxes category is \$245.97 million. Collections of gross receipts taxes through the 4<sup>th</sup> quarter of FY 2008 totaled \$266.29 million, which were:

- ◆ \$20.3 million, or 8.3%, above the \$245.97 million 4<sup>th</sup> quarter FY 2008 revised estimate; and
- ◆ \$3.39 million, or 1.3%, above collections for the same period in FY 2007.

Gross receipts taxes collected through the 4<sup>th</sup> quarter represent 108% of the total FY 2008 revised estimate for this category. Table VI compares actual collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008.

**TABLE VI**  
**Gross Receipts Taxes**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Gross Receipts Taxes              | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/(Under)<br>Revised Estimate | Percentage<br>Difference |
|-----------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|--------------------------|
| Public Utilities Tax              | \$145,843                                                            | \$143,998                                                          | \$1,845                                                | 1.3%                     |
| Toll Telecommunications<br>Tax    | 61,431                                                               | 53,472                                                             | 7,959                                                  | 14.9%                    |
| Insurance Premiums Tax            | 59,017                                                               | 48,500                                                             | 10,517                                                 | 21.7%                    |
| <b>Total Gross Receipts Taxes</b> | <b>\$266,291</b>                                                     | <b>\$245,970</b>                                                   | <b>\$20,321</b>                                        | <b>8.3%</b>              |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

<sup>18</sup> According to information presented in the FY 2008 CAFR, the District achieved the revised estimate in the income taxes category for FY 2008.

**A. Public Utilities Tax**<sup>19</sup>

Public utilities tax collections through the 4<sup>th</sup> quarter totaled \$145.84 million. The collections were \$1.8 million, or 1.3%, above the \$143.99 million revised estimate. The fact that collections were above the estimate may result, in part, from increased energy costs.

**B. Toll Telecommunications Tax**

Toll telecommunications tax collections through the 4<sup>th</sup> quarter totaled \$61.43 million. The collections were \$7.96 million, or 14.9%, above the \$53.47 million revised estimate.

**C. Insurance Premium Tax**

Insurance premium tax collections through the 4<sup>th</sup> quarter totaled \$59.02 million. The collections were \$10.5 million, or 21.7%, above the \$48.5 million revised estimate.

Based on collection patterns and emerging trends through the 4<sup>th</sup> quarter, it appears that the District is on course to achieve the FY 2008 revenue estimate in the gross receipts taxes category.<sup>20</sup>

**OTHER TAXES**

Other taxes include: (A) estate tax, (B) deed recordation tax, (C) deed transfer tax, and (D) economic interest transfer tax. The total FY 2008 revised estimate for the other taxes category is \$290.32 million. Collections of other taxes through the 4<sup>th</sup> quarter of FY 2008 totaled \$331.67 million, which were:

- ◆ \$41.35 million, or 14.2%, above the \$290.32 million 4<sup>th</sup> quarter FY 2008 revised estimate; and
- ◆ \$88.85 million, or 21.1%, below collections for the same period in FY 2007.

Collections of other taxes through the 4<sup>th</sup> quarter represented 114% of the total FY 2008 revised estimate for this category. Table VII compares actual collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008 for other taxes.

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<sup>19</sup>The public utility tax is imposed on the gross receipts of television, radio and telephone companies; the usage per gallon for heating oil; per therm for natural gas; and per kilowatt hour for electric distribution.

<sup>20</sup>According to information presented in the FY 2008 CAFR, the District achieved the revised estimate in the gross receipts taxes category for FY 2008.

**TABLE VII**  
**Other Taxes:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Other Taxes              | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/(Under)<br>Revised Estimate | Percentage<br>Difference |
|--------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|--------------------------|
| Estate Tax               | \$66,801                                                             | \$65,742                                                           | \$1,059                                                | 1.6%                     |
| Deed Recordation Tax     | 121,430                                                              | 93,838                                                             | 27,592                                                 | 29.4%                    |
| Deed Transfer Tax        | 88,623                                                               | 76,738                                                             | 11,885                                                 | 15.5%                    |
| Economic Interest Tax    | 54,815                                                               | 54,000                                                             | 815                                                    | 1.5%                     |
| <b>Total Other Taxes</b> | <b>\$331,669</b>                                                     | <b>\$290,318</b>                                                   | <b>\$41,351</b>                                        | <b>14.2%</b>             |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report, September 2008 prepared by ORA

**A. Estate Tax**

Estate tax collections through the 4<sup>th</sup> quarter totaled \$66.8 million. The collections were \$1.06 million, or 1.6%, above the \$65.74 million revised estimate. According to an ORA representative, estate tax revenue is dependent on two variables that are inherently difficult to predict: the number of deaths in any given year and the total value of a decedent's estate which, in turn, depends on the performance of financial and real estate markets.

**B. Combined Deed Recordation and Transfer Tax**

Combined deed recordation and transfer tax collections through the 4<sup>th</sup> quarter totaled \$210.05 million. The recordation tax is imposed on the recording of real estate deeds in the District while the transfer tax is imposed on each transfer of real property at the time the deed is submitted for recordation. These combined collections were \$39.47 million, or 23%, above the \$170.58 million revised estimates. Although the real estate market continues to experience considerable decline in terms of sales and values, collections were above the estimate for the deed recordation and deed transfer tax, in part, because the CFO reduced the estimate in May 2008 and again in September 2008. Therefore, the September 2008 estimates for these taxes may have been somewhat conservative.

Further, according to data obtained from GCAAR, there was an overall average decline in contracts and settlements of single family homes and condos through the 4<sup>th</sup> quarter of FY 2008 as compared to the 4<sup>th</sup> quarter of FY 2007. Contracts for single family homes declined 12.9% and settlements declined by 20.6% from September 2007 as compared to 2008. Similarly, contracts for condos and coops declined by 29.5% and settlements of these properties were down 32.6%.

### **C. Economic Interest Tax**

Economic interest tax collections through the 4<sup>th</sup> quarter totaled \$54.81 million. The collections were \$815,000, or 1.5%, above the \$54 million revised estimate. According to an ORA representative, this tax is difficult to forecast because of the infrequent transfer of corporate ownership interests in the District of Columbia. As a result, ORA does not attempt to estimate this tax using any economic factors.

Overall, the District achieved the FY 2008 revised estimate in the other taxes category.<sup>21</sup>

### **NON-TAX REVENUE**

Non-tax revenue includes: (A) licenses and permit fees, (B) fines and forfeitures, (C) charges for services, and (D) miscellaneous revenue. The total FY 2008 revised estimate for the non-tax revenue category is \$337.58 million. Collections through the 4<sup>th</sup> quarter totaled \$359.25 million, which were:

- ◆ \$21.67 million, or 6.4%, above the \$337.58 million 4<sup>th</sup> quarter FY 2008 revised estimate; and
- ◆ \$37.86 million, or 9.5%, below collections for the same period in FY 2007.

Non-tax revenue collections through the 4<sup>th</sup> quarter represented 106% of the total FY 2008 revised estimate for this category. Table VIII compares non-tax revenue collections to the revised estimate through the 4<sup>th</sup> quarter of FY 2008 for non-tax revenue.

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<sup>21</sup> According to information presented in the FY 2008 CAFR, the District did achieve the revised estimate in the other taxes category for FY 2008.

**TABLE VIII**  
**Non-Tax Revenue:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Non-Tax Revenue              | Actual Collections<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Revised Estimate<br>Through the 4 <sup>th</sup><br>Quarter FY 2008 | Difference: Actual<br>Over/(Under)<br>Revised Estimate | Percentage<br>Difference |
|------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|--------------------------|
| Licenses and Permits         | \$70,235                                                             | \$74,924                                                           | (\$4,689)                                              | (6.3%)                   |
| Fines and Forfeitures        | 103,419                                                              | 97,420                                                             | 5,999                                                  | 6.2%                     |
| Charges for Services         | 43,442                                                               | 48,857                                                             | (5,415)                                                | (11.1%)                  |
| Miscellaneous Revenue        | 142,153                                                              | 116,379                                                            | 25,774                                                 | 22.1%                    |
| <b>Total Non-Tax Revenue</b> | <b>\$359,249</b>                                                     | <b>\$337,580</b>                                                   | <b>\$21,669</b>                                        | <b>6.4%</b>              |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

**A. Licenses and Permit Fees**

Licenses and permit fees collected through the 4<sup>th</sup> quarter totaled \$70.23 million. Collections were \$4.69 million, or 6.3%, below the \$74.92 million revised estimate. According to an ORA representative, collections of licenses and permit fees were below the estimate, in part, due to a decrease in demand for insurance licenses.

**B. Fines and Forfeitures**

Fines and forfeitures collected through the 4<sup>th</sup> quarter totaled \$103.42 million. The collections were \$6 million, or 6.2%, above the \$97.42 million revised estimate.

**C. Charges for Services**

Charges for services collected through the 4<sup>th</sup> quarter totaled \$43.4 million. The collections were \$5.4 million, or 11.1%, below the \$48.8 million revised estimate. ORA representatives indicated that collections for charges for services were below the estimate, in part, from shortfalls in deed recordation fees, which are directly tied to the slowdown in real estate market revenues, and shortfalls in emergency ambulance fee collections.

#### **D. Miscellaneous Revenue**

Miscellaneous revenue includes: (1) interest income, (2) unclaimed property, (3) sale of surplus property, (4) other transfers,<sup>22</sup> and (5) other revenue.<sup>23</sup> Miscellaneous revenue collected through the 4<sup>th</sup> quarter totaled \$142.2 million. The collections were \$25.8 million, or 22.2%, above the \$116.4 million revised estimate for the 4<sup>th</sup> quarter. According to information obtained from ORA, collections were above the estimate, in part, because of higher than expected collections in interest income. ORA reduced the estimate for interest income early in the fiscal year based upon instability in the financial markets. Although market conditions remained unstable during most of fiscal year 2008, they were not as bad as ORA originally anticipated resulting in collections which ultimately exceeded the earlier estimate. In addition to interest income, there was a surplus in unclaimed property, which resulted from fewer people submitting claims for unclaimed property than anticipated.

Based on collections through the 4<sup>th</sup> quarter, it appears that the District is on course to achieve the revised estimate in the non-tax revenue category in FY 2008.<sup>24</sup>

#### **OTHER FINANCING SOURCES**

Other financing sources consist of legalized gambling transfers to the General Fund from the D.C. Lottery. The total FY 2008 revised estimate for the other financing sources category is \$70 million. Collections through the 4<sup>th</sup> quarter totaled \$70.9 million which were:

- ◆ \$875,000, or 1.3%, above the \$70 million 4<sup>th</sup> quarter FY 2008 revised estimate; and
- ◆ \$6.97 million, or 10.9%, above collections for the same period in FY 2007.

Collections from other financing sources through the 4<sup>th</sup> quarter represented 101% of the total FY 2008 revised estimate for this category. Table IX compares actual collections to the estimate through the 4<sup>th</sup> quarter of FY 2008.

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<sup>22</sup>Includes the WASA Pilot (payment in lieu of taxes) Transfer.

<sup>23</sup>Includes revenue from dishonored checks, payroll service fees, or other revenue from agencies.

<sup>24</sup>According to information presented in the FY 2008 CAFR, the District achieved the revised estimate in the non-tax revenue category for FY 2008.

**TABLE IX**  
**Other Financing Sources:**  
**Comparison of Actual Cash Collections to the Revised Estimate**  
**Through the 4<sup>th</sup> Quarter of Fiscal Year 2008**  
**(\$000)**

| Other Financing Sources | Actual Collections Through the 4 <sup>th</sup> Quarter FY 2008 | Revised Estimate Through the 4 <sup>th</sup> Quarter FY 2008 | Difference: Actual Over/(Under) Revised Estimate | Percentage Difference |
|-------------------------|----------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------|-----------------------|
| Legalized Gambling      | \$70,875                                                       | \$70,000                                                     | \$875                                            | 1.3%                  |

Source: Comparative Report of Cash Collections by Funds, Revenues Financing the Appropriation: Fiscal Year 2008, Monthly OCFO Cash Report September 2008, prepared by ORA

Legalized gambling (transfers to the General Fund from the D.C. Lottery) through the 4<sup>th</sup> quarter totaled \$70.9 million. The transfers were \$875,000, or 1.3%, above the \$70 million revised 4<sup>th</sup> quarter estimate. Collections were above the estimate, in part, because overall prize payouts were lower than in previous quarters.

#### **SPECIAL PURPOSE REVENUE FUND (O-TYPE)**

The special purpose revenue fund (O-type) estimate for FY 2008 was \$444.24 million. Collection of special purpose revenue funds (O-type) through the 4<sup>th</sup> quarter of FY 2008 totaled \$395.17 million. These collections were \$49.07 million, or 11%, below the \$444.24 million 4<sup>th</sup> quarter revised estimate. Collections through the 4<sup>th</sup> quarter of FY 2008 were \$42.36 million, or 12%, above the \$352.81 million in collections for the same period in FY 2007.

ORA officials stated there were numerous funds which comprise special purpose revenue funds (O-type) and that the collection pattern varied for each fund.

Overall, based on collection patterns and emerging trends through the 4<sup>th</sup> quarter, it appears that the District may not achieve the FY 2008 revenue estimate in the special purpose revenue fund (O-type) category.<sup>25</sup>

#### **CONCLUSION**

The Auditor's analysis indicated that, overall, actual cash collections were above the revised estimate through the 4<sup>th</sup> quarter of FY 2008. The District's cash collections through September 2008 (excluding special purpose revenue fund (O-type)) totaled \$5.472 billion, which were \$199 million,

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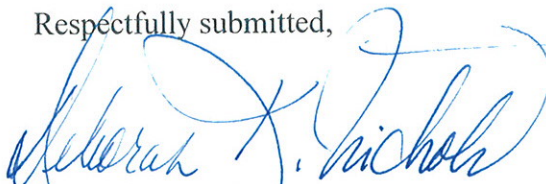
<sup>25</sup> According to information presented in the FY 2008 CAFR, the District did not achieve the revised estimate in the special purpose revenue fund (O-type) category for FY 2008.

or 3.89%, above the \$5.273 billion revised estimate through the 4<sup>th</sup> quarter. The \$5.472 billion in actual cash collections represented 104% of the total \$5.273 billion revised FY 2008 revenue estimate.

Specifically, collections were above the estimate through the 4<sup>th</sup> quarter in the following categories: 1) general sales and use taxes; 2) income taxes; 3) gross receipts taxes; 4) other taxes; 5) fines and forfeitures; 6) miscellaneous revenue; and 7) legalized gambling (transfers to the General Fund from the D.C. Lottery). On the other hand, collections were below the estimate in the following categories: 1) general property taxes; 2) selective sales taxes; 3) licenses and permits; and 4) charges for services. Collections were also below the estimate for the special purpose revenue fund (O-type).

Based on our review and analysis of economic data from various sources, as well as revenue collection patterns through the 4<sup>th</sup> quarter, it appears, overall, that the District is on course to achieve the \$5.273 billion FY 2008 revised revenue estimate.

Respectfully submitted,



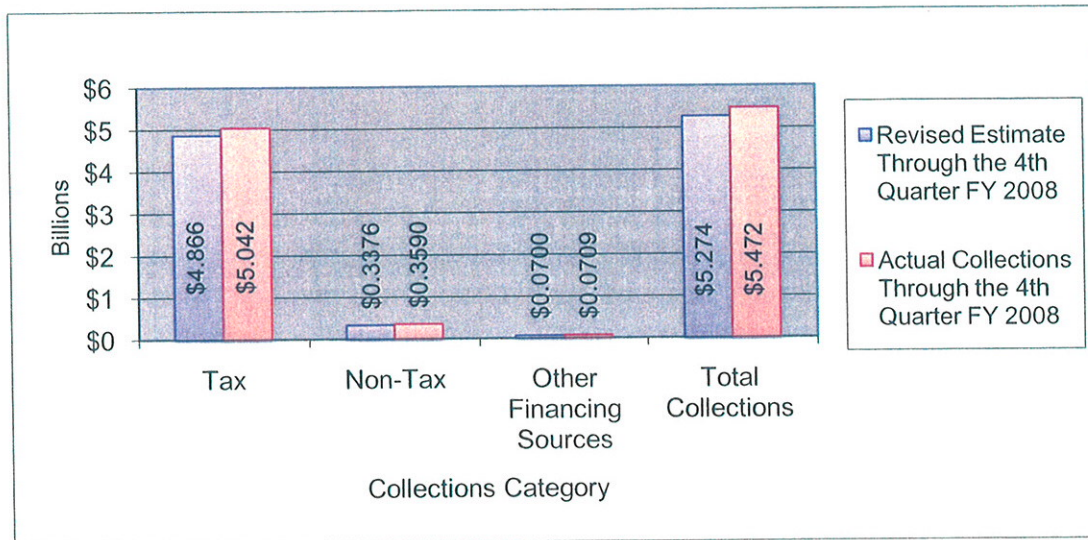
Deborah K. Nichols

District of Columbia Auditor

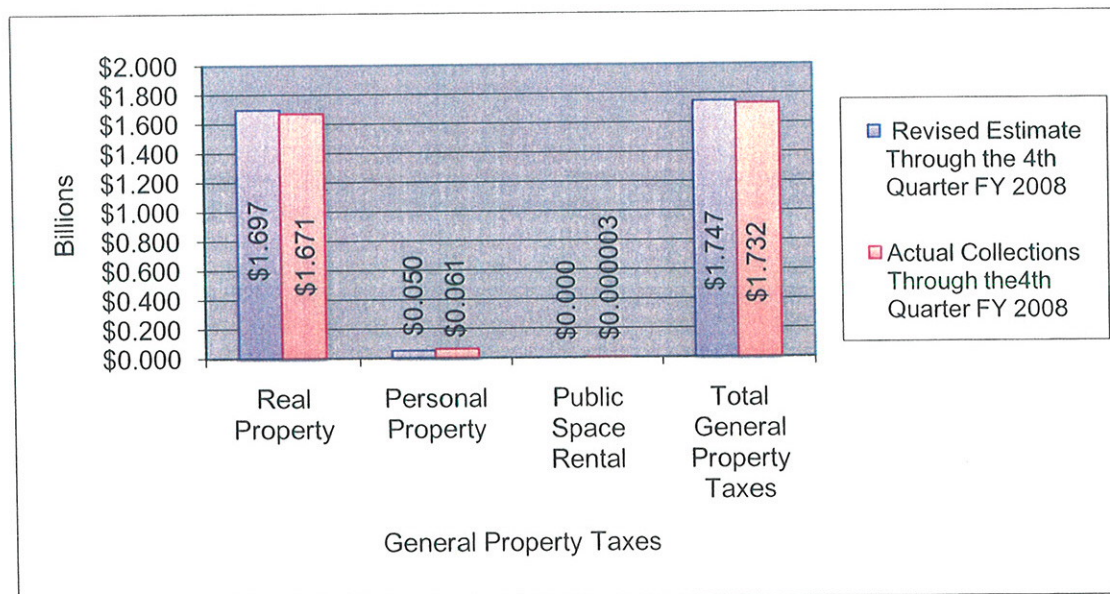
# APPENDICES

## APPENDIX I

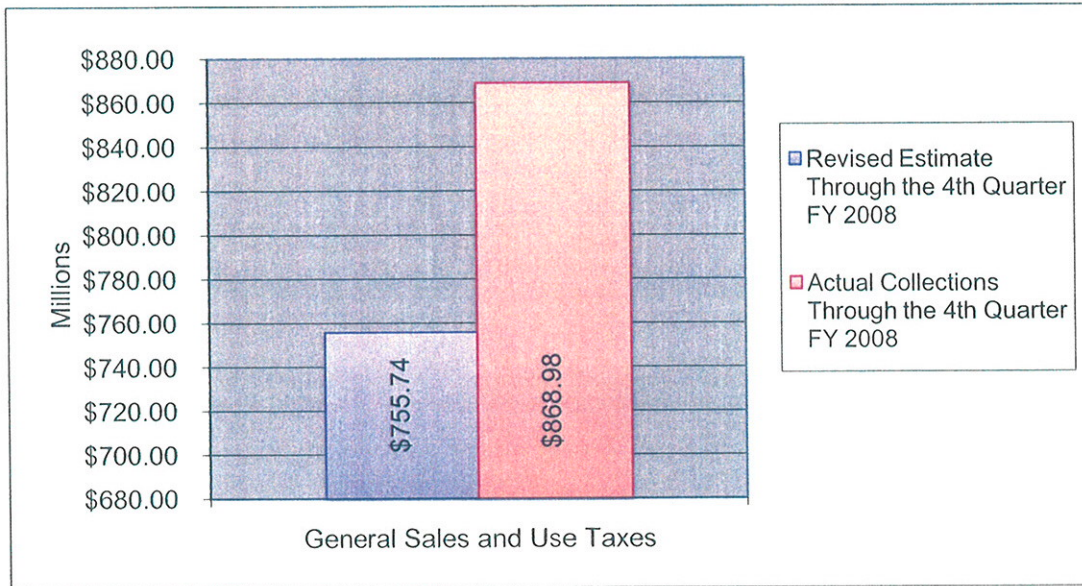
**GRAPH I**  
Summary of the Revised Revenue Estimate  
Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections



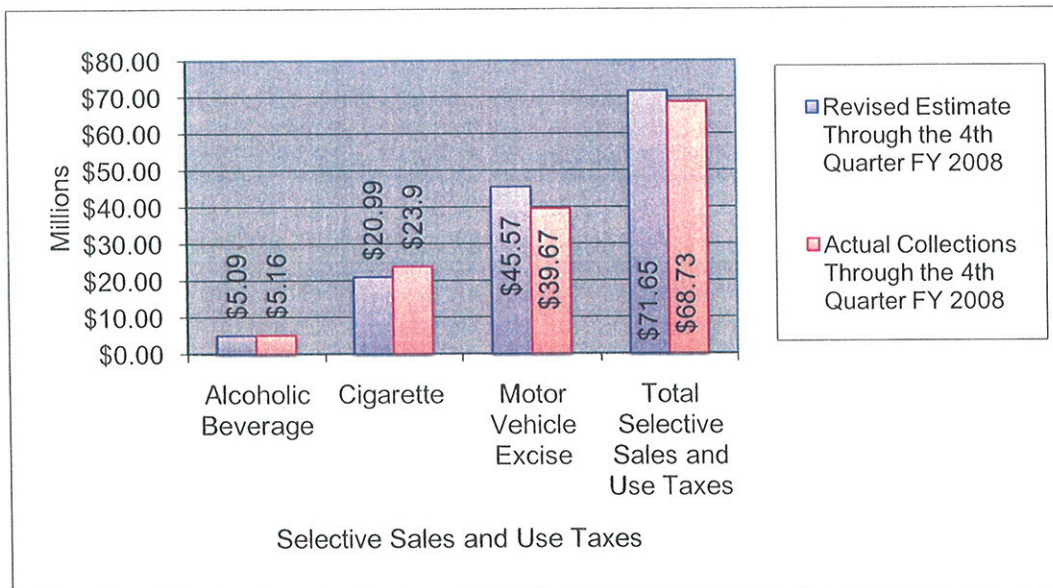
**GRAPH II**  
General Property Taxes:  
Comparison of the Revised Revenue Estimate  
Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections



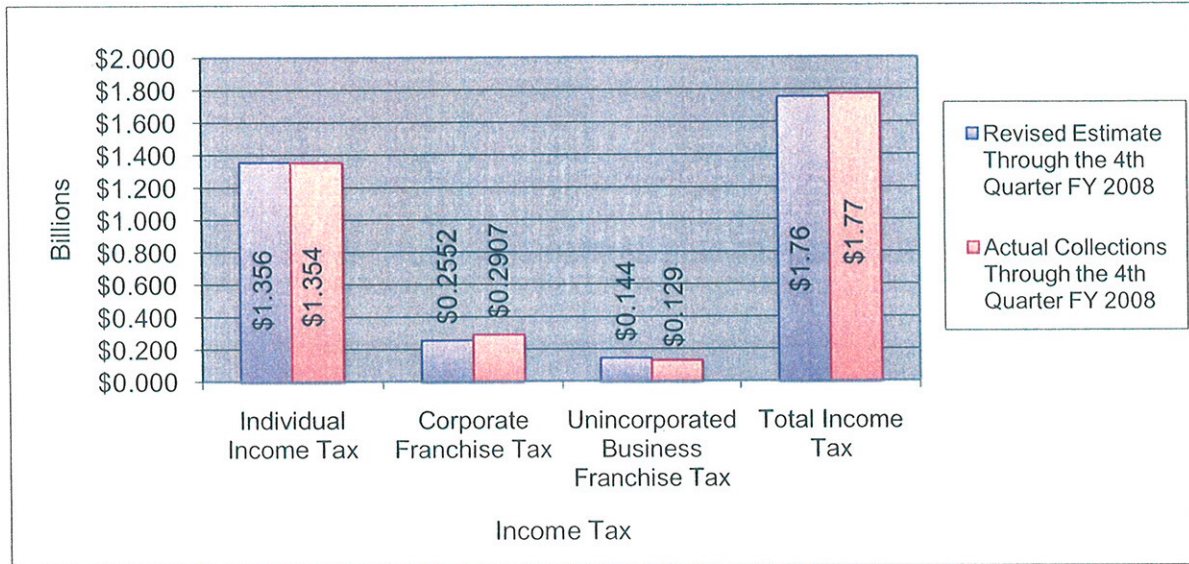
**GRAPH III**  
**General Sales and use Taxes**  
**Comparison of the Revised Revenue Estimate**  
**Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections**



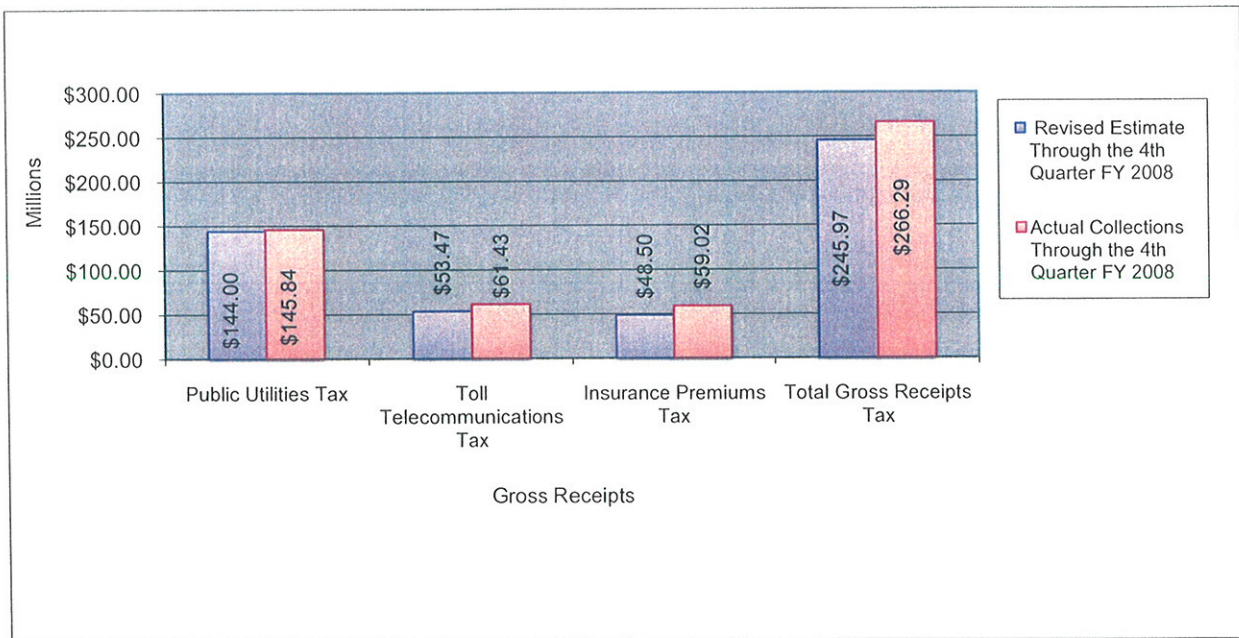
**GRAPH IV**  
**Selective Sales and Use Taxes:**  
**Comparison of the Revised Revenue Estimate**  
**Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections**



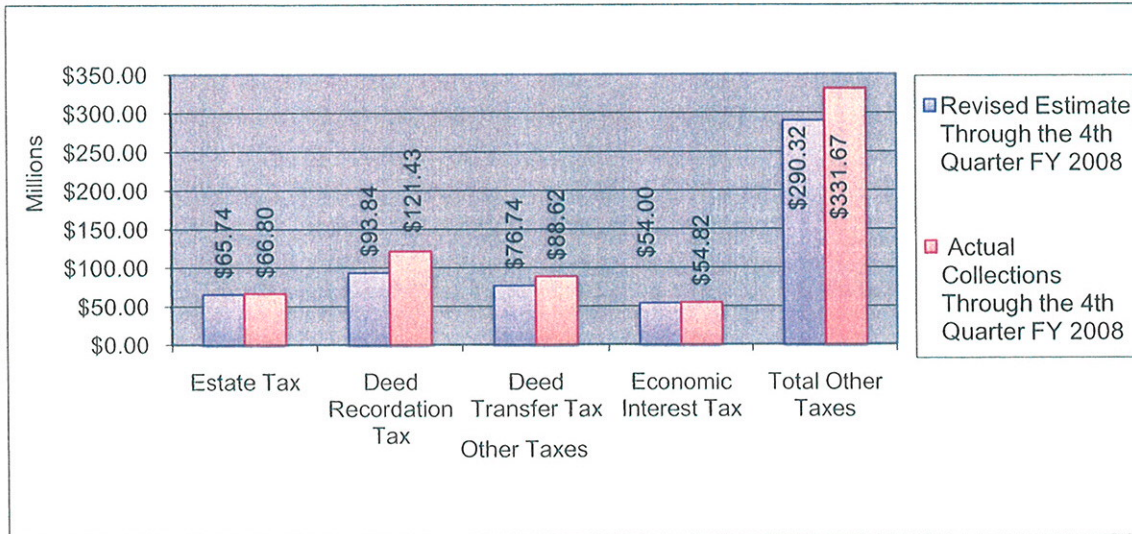
GRAPH V  
Income Tax:  
Comparison of the Revised Revenue Estimates  
Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections



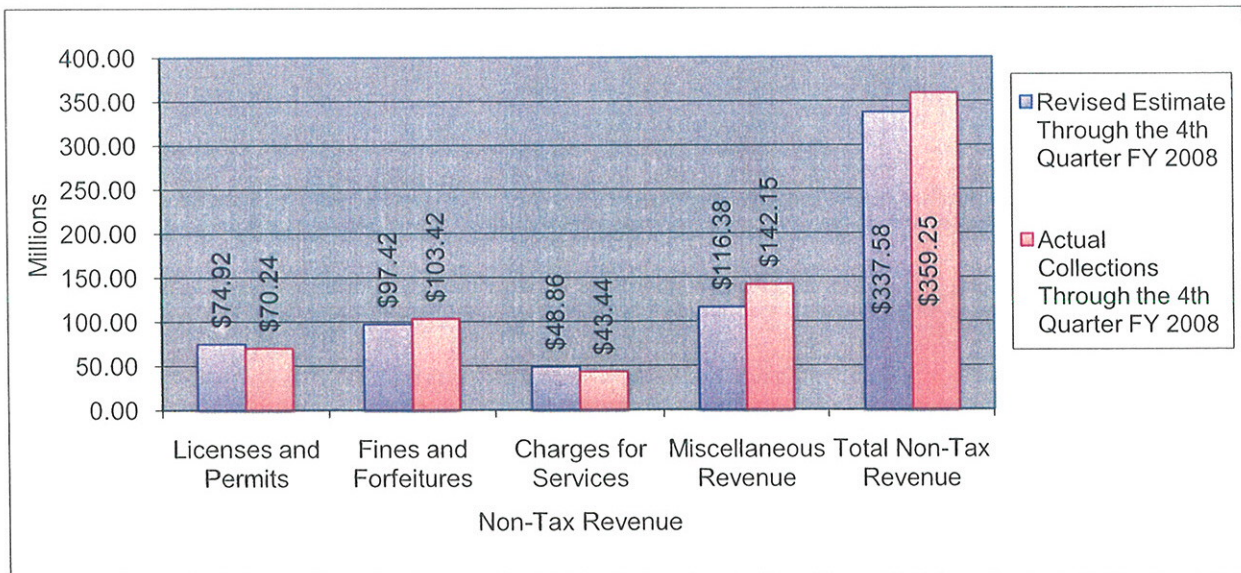
Graph VI  
Gross Receipts Tax:  
Comparison of the Revised Revenue Estimate  
Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections



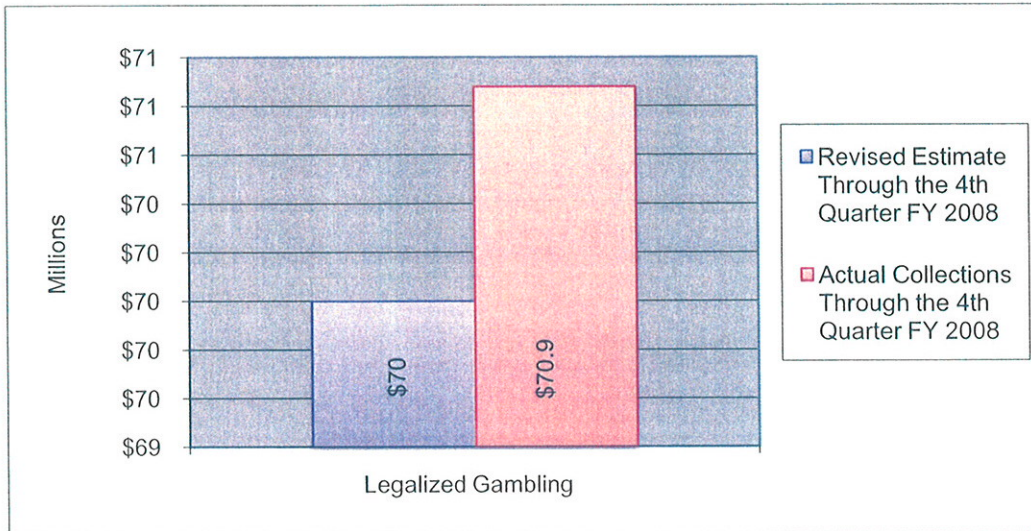
GRAPH VII  
Other Taxes:  
Comparison of the Revised Revenue Estimate  
Through the 4<sup>th</sup> Quarter FY 2008 to Actual Cash Collections



GRAPH VIII  
Non-Tax Revenue:  
Comparison of the Revised Revenue Estimate  
Through the 4<sup>th</sup> Quarter FY 2008 Actual Cash Collections



GRAPH IX  
Other Financing Sources:  
Comparison of the Revised Revenue Estimate  
Through the 1<sup>st</sup> Quarter FY 2008 to Actual Cash Collections



## APPENDIX II

### Comparison of Cash Collections Through the 4th Quarter Fiscal Years 2004 - 2008<sup>26</sup> (\$000)

| Collections Categories                                | FY 2004     | FY 2005     | FY 2006     | FY 2007     | FY 2008 <sup>27</sup> |
|-------------------------------------------------------|-------------|-------------|-------------|-------------|-----------------------|
| General Property Taxes                                | \$1,029,450 | \$1,156,076 | \$1,202,458 | \$1,520,138 | \$1,731,446           |
| General Sales and Use Taxes*                          | 664,857     | 768,528     | 765,904     | 719,553     | 868,975               |
| Selective Sales and Use Taxes                         | 65,953      | 69,582      | 70,633      | 70,048      | 68,731                |
| Income Tax                                            | 1,291,530   | 1,464,899   | 1,593,079   | 1,731,742   | 1,774,931             |
| Gross Receipts Tax                                    | 275,392     | 271,707     | 253,393     | 262,894     | 266,291               |
| Other Taxes                                           | 379,517     | 376,371     | 342,932     | 420,520     | 331,669               |
| Non-Tax Revenue                                       | 302,721     | 321,388     | 358,231     | 397,105     | 359,249               |
| Other Financing Sources                               | 72,650      | 71,300      | 73,000      | 63,900      | 70,875                |
| Total Cash Collections Financing the<br>Appropriation | \$4,082,070 | \$4,499,851 | \$4,659,720 | \$5,185,900 | \$5,472,167           |

Source: OCFO ORA

\*Collections of general sales and use taxes are reported on a net basis after the transfer of tax revenue to dedicated purposes including the Washington Convention Center Authority

<sup>26</sup> Differences in totals presented in this table are due to rounding.

<sup>27</sup> Total collections presented in this Appendix does not include special purpose revenue fund (O-type) and are presented net of dedicated taxes transferred to dedicated purposes.

**Comparison of Collections Through the 4<sup>th</sup> Quarter  
of FY 2008 to Collections Through the 4<sup>th</sup> Quarter of FY 2007<sup>28</sup>**  
((\$000))

| Collections Category                  | Collections Through the 4 <sup>th</sup> Quarter Fiscal Year 2008 <sup>29</sup> | Collections Through the 4 <sup>th</sup> Quarter Fiscal Year 2007 | Difference 4 <sup>th</sup> Quarter FY 2008 Over/(Under) 4 <sup>th</sup> Quarter FY 2007 | Percent Difference |
|---------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------|
| <b>General Property Taxes:</b>        |                                                                                |                                                                  |                                                                                         |                    |
| Real Property                         | \$1,670,643                                                                    | \$1,448,520                                                      | \$222,123                                                                               | 15.3%              |
| Personal Property                     | 60,800                                                                         | 71,610                                                           | (10,810)                                                                                | (15.1%)            |
| Public Space Rental                   | 3                                                                              | 8                                                                | (5)                                                                                     | (62.5%)            |
| <b>Total Property Taxes</b>           | <b>\$1,731,446</b>                                                             | <b>\$1,520,138</b>                                               | <b>\$211,308</b>                                                                        | <b>13.9%</b>       |
| <b>General Sales and Use Taxes</b>    | <b>\$868,975</b>                                                               | <b>\$719,553</b>                                                 | <b>\$149,422</b>                                                                        | <b>20.8%</b>       |
| <b>Selective Sales and Use Taxes:</b> |                                                                                |                                                                  |                                                                                         |                    |
| Alcoholic Beverage                    | \$5,157                                                                        | \$5,167                                                          | (\$10)                                                                                  | (.2%)              |
| Cigarette                             | 23,900                                                                         | 21,205                                                           | 2,695                                                                                   | 12.7%              |
| Motor Vehicle Excise                  | 39,674                                                                         | 43,676                                                           | (4,002)                                                                                 | (9.2%)             |
| <b>Selective Sales and Use Taxes</b>  | <b>\$68,731</b>                                                                | <b>\$70,048</b>                                                  | <b>(\$1,317)</b>                                                                        | <b>(1.9%)</b>      |
| <b>Income Taxes:</b>                  |                                                                                |                                                                  |                                                                                         |                    |
| Individual Income Taxes               | \$1,354,815                                                                    | \$1,313,613                                                      | \$41,202                                                                                | 3.1%               |
| Corporate Franchise                   | 290,656                                                                        | 252,356                                                          | 38,300                                                                                  | 15.2%              |
| Unincorporated Business               | 129,460                                                                        | 165,773                                                          | (36,313)                                                                                | (21.9%)            |
| <b>Total Income Taxes</b>             | <b>\$1,774,931</b>                                                             | <b>\$1,731,742</b>                                               | <b>\$43,189</b>                                                                         | <b>2.5%</b>        |
| <b>Gross Receipts Taxes:</b>          |                                                                                |                                                                  |                                                                                         |                    |
| Public Utilities                      | \$145,843                                                                      | \$151,560                                                        | (\$5,717)                                                                               | (3.8%)             |
| Toll Telecommunications               | 61,431                                                                         | 56,217                                                           | 5,214                                                                                   | 9.3%               |
| Insurance Premiums                    | 59,017                                                                         | 55,111                                                           | 3,906                                                                                   | 7.1%               |
| Health Care Provider Tax              | 0                                                                              | 6                                                                | (6)                                                                                     | 0%                 |
| <b>Total Gross Receipts</b>           | <b>\$266,291</b>                                                               | <b>\$262,894</b>                                                 | <b>\$3,397</b>                                                                          | <b>1.3%</b>        |
| <b>Other Taxes:</b>                   |                                                                                |                                                                  |                                                                                         |                    |
| Estate Taxes                          | \$66,801                                                                       | \$53,886                                                         | \$12,915                                                                                | 24%                |
| Deed Recordation                      | 121,430                                                                        | 177,726                                                          | (56,296)                                                                                | (31.7%)            |
| Deed Transfer                         | 88,623                                                                         | 124,114                                                          | (35,491)                                                                                | (28.6%)            |
| Economic Interests                    | 54,815                                                                         | 64,794                                                           | (9,979)                                                                                 | (15.4%)            |
| <b>Total Other Taxes</b>              | <b>\$331,669</b>                                                               | <b>\$420,520</b>                                                 | <b>(\$88,851)</b>                                                                       | <b>(21.1%)</b>     |
| <b>Total Tax Collections</b>          | <b>\$5,042,043</b>                                                             | <b>\$4,724,895</b>                                               | <b>\$317,148</b>                                                                        | <b>6.7%</b>        |
| <b>Non-Tax Revenue:</b>               |                                                                                |                                                                  |                                                                                         |                    |
| Licenses and Permits                  | \$70,235                                                                       | \$65,437                                                         | \$4,798                                                                                 | 7.3%               |
| Fines and Forfeitures                 | 103,419                                                                        | 106,157                                                          | (2,738)                                                                                 | (2.6%)             |
| Charges for Services                  | 43,442                                                                         | 50,716                                                           | (7,274)                                                                                 | (14.3%)            |
| Miscellaneous Revenue                 | 142,153                                                                        | 174,795                                                          | (32,642)                                                                                | (18.7%)            |
| <b>Total Non-Tax Revenue</b>          | <b>\$359,249</b>                                                               | <b>\$397,105</b>                                                 | <b>(\$37,856)</b>                                                                       | <b>(9.5%)</b>      |
| <b>Other Financing Sources</b>        | <b>\$70,875</b>                                                                | <b>\$63,900</b>                                                  | <b>\$6,975</b>                                                                          | <b>10.9%</b>       |
| <b>Total Revenues</b>                 | <b>\$5,472,167</b>                                                             | <b>\$5,185,900</b>                                               | <b>\$286,267</b>                                                                        | <b>5.5%</b>        |

Source: OCFO ORA

<sup>28</sup> Rounding may affect some calculations presented in this table.

<sup>29</sup> Total collections presented in this Appendix does not include special purpose revenue fund (O-type) and are presented net of dedicated taxes transferred to dedicated purposes.