



## **FIVE-YEAR FINANCIAL FORECAST NOTES AND ASSUMPTIONS**

**For the Fiscal Years Ending June 30, 2015 through 2019**

May 19, 2015

**The mission of the Dayton City Schools is to provide a high-quality education in a safe environment that prepares our students for success in school, work and life by providing a highly effective trained staff working each day with community resources.**

### **General**

The Ohio Constitution assigns the state the responsibility for a thorough and efficient system of public common schools as adopted in Article VI, section 2, which states, “The General Assembly shall make such provisions, by taxation, or otherwise, as, with the income arising from the school trust fund, will secure a thorough and efficient system of common schools throughout the state; but no religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the schools funds of this state.”

Ohio Revised Code (ORC) section 5705.391 and Ohio Administrative Code (OAC) section 3301-92-04 require a Board of Education (BOE) to submit a five-year forecast of operational revenues and expenditures along with assumptions to the Ohio Department of Education (ODE) prior to October 31 of each fiscal year and to update this forecast between April 1 and May 31 of each fiscal year. The Treasurer/CFO submits the forecast. The Board of Education is recognized as the official owner and has ultimate responsibility for its development.

A financial forecast can be broadly defined as the expected financial position and the results of operations and cash flows based on expected conditions. The five-year financial forecast is a key management tool designed to aid decision making in establishing and maintaining a prudent level of financial resources to ensure stable tax rates as well as to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Three key objectives of the five-year financial forecast include the following:

- 1) To engage the local board of education and the community in long range planning.
- 2) To serve as a basis for determining the school district’s ability to sign the certificate required by O.R.C. 5705.412, commonly known as the “412 certificate”.
- 3) To provide a method for the ODE and Auditor of State to identify school districts with potential financial problems.

Required funds to be included in the forecast are:

- General funds (001)
- Any special cost center associated with general fund money
- Emergency levy funds (016)
- Any debt service (002) activity that would otherwise have gone to the general fund
- Poverty Based Assistance (PBA) funds (494)
- Education Jobs funds (504)
- State Fiscal Stabilization funds (532)

The American Institute of Certified Public Accountants (AICPA) Guide for Prospective Financial Information defines “Particularly Sensitive Assumptions” as having a relatively high probability of variation that would materially affect the financial forecast. This may be due to a relatively high probability of a sizable variation or the probability of a sizable variation is not as high but a small variation would have a large impact. The following factors may be classified as such:

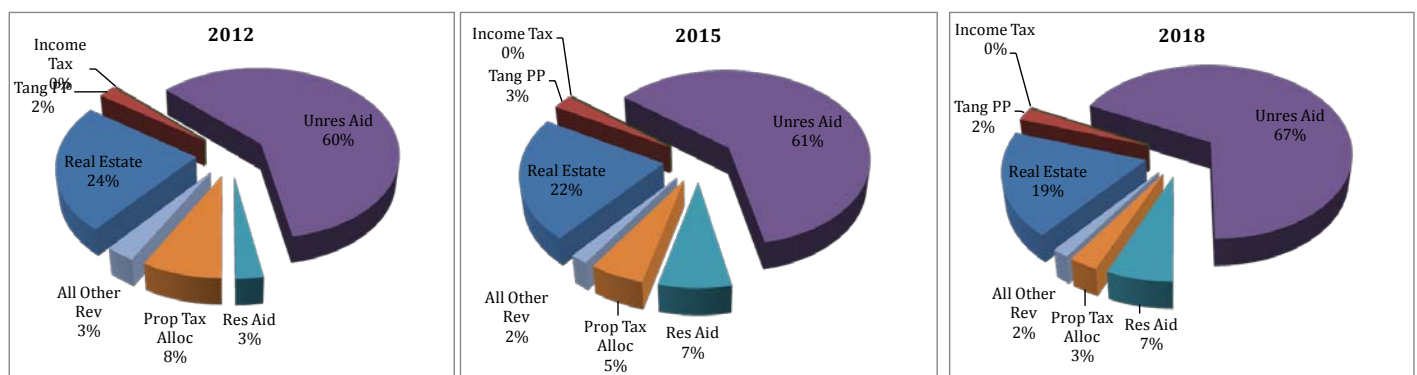
- Revenue and Other Financing Sources:
  - ❖ General Property Tax factors include taxable values, tax rates and collection rates.
  - ❖ Unrestricted Grants-In-Aid and Property Tax Allocation factors include the state biennium budget cycle. Student enrollment and property/income wealth are major factors with restricted and unrestricted grants.
- Expenditures and Other Financing Uses:
  - ❖ Personal Services factors include the various collective bargaining agreements.
  - ❖ Purchased Services factors include community school enrollment, scholarships, open enrollment and the state biennium budget cycle. Also, climate conditions and market factors impact utilities.

The following is a detailed line-by-line description of the assumptions made in developing the forecast:

**REVENUE**

**Operating Revenue Summary**

Dayton City School District



	ACTUAL		FORECASTED				6 Year Projected % Change
	2012	% of Revenue	2015	% of Revenue	2018	% of Revenue	
1.010 - General Property Tax (Real Estate)	52,183,287	23.65%	51,901,507	22.09%	48,972,617	18.97%	-6.15%
1.020 - Public Utility Personal Property	5,162,987	2.34%	6,019,841	2.56%	6,086,856	2.36%	17.89%
1.030 - Income Tax	-	0.00%	-	0.00%	-	0.00%	0.00%
1.035 - Unrestricted Grants-in-Aid	132,318,407	59.97%	143,132,845	60.92%	174,282,268	67.52%	31.71%
1.040 & 1.045 - Restricted Grants-in-Aid	6,278,490	2.85%	17,026,626	7.25%	17,063,580	6.61%	171.78%
1.050 - Property Tax Allocation	18,044,448	8.18%	12,744,187	5.42%	7,454,971	2.89%	-58.69%
1.060 - All Other Operating Revenues	6,636,596	3.01%	4,129,312	1.76%	4,275,496	1.66%	-35.58%
<b>1.070 - Total Revenue</b>	<b>220,624,215</b>		<b>234,954,318</b>		<b>258,135,787</b>		<b>17.00%</b>

**Line 1.010 General Property Tax (Real Estate)**

Residential/agricultural and commercial/industrial real estate property tax revenue collection estimates are based on taxable valuation, effective tax rates and collection rates. Based on the reappraised or updated tax value increases, voted tax rates are reduced proportionately to produce the same amount of revenue as originally approved by the voters. Conversely, if tax values should happen to decrease, voted tax rates are raised proportionately up to the maximum revenue amount approved by the voters. The 4.48 unvoted inside mills is not impacted during reappraisal or update years. The districts voted levies are indicated below:

Original Year of Passage	Term	Year Levy Was Last Approved	2014	2014	2014
			Full Voted/ Amount/Millage	Class I Effective	Class II Effective
1976	Continuing	1976	32.50	13.59742	26.30557
1988	Continuing	1988	15.27	9.58393	15.27000
1992	Continuing	1992	10.40	8.03051	10.40000
2008	Continuing	2008	4.90	4.90000	4.90000

Tax year 2014 reappraisal actual real property valuation and effective millage and estimates for tax years thru 2018 are indicated below:

Tax Year Year	Real Property Valuation	Year-Over-Year Change	Res./Agr. Tax Rate	Year-Over-Year Change	Business Tax Rate	Year-Over-Year Change
2011	1,513,906,510	(233,343,050)	36.60	3.75	57.47	5.97
2012	1,459,489,480	(54,417,030)	36.73	0.12	59.89	2.42
2013	1,466,344,310	6,854,830	36.92	0.19	59.89	0.00
2014	1,328,401,510	(137,942,800)	40.58	3.67	61.35	1.46
2015	1,316,799,516	(11,601,994)	40.74	0.16	61.82	0.47
2016	1,305,370,974	(11,428,542)	40.90	0.16	62.29	0.47
2017	1,238,658,752	(66,712,221)	42.56	1.66	63.70	1.41
2018	1,227,935,784	(10,722,968)	42.72	0.17	64.21	0.51

- Tax year 2014 was a reappraisal year in Montgomery County.
- Class I property consists of agricultural and residential property.
  - ❖ Assessed valuation is 65% of the total valuation.
  - ❖ Collection rates, excluding delinquencies, are projected at 81.00%.
  - ❖ Projected increases for new construction/growth are as follows:

Tax Year	2014	2015	2016	2017	2018
Class I New Construction/Growth	.42%	.05%	.05%	.10%	.05%

- Class II property consists of public utility real, industrial and commercial property.
  - ❖ Assessed valuation is 28% of the total valuation.
  - ❖ Collection rates, excluding delinquencies, are projected at 85.00%.
  - ❖ Projected increases for new construction/growth are as follows:

Tax Year	2014	2015	2016	2017	2018
Class II New Construction/Growth	.91%	-.10%	-.10%	-.70%	-.11%

- The actual 5-year average annual change was -.61%.
- The projected 5-year average annual change is -1.13%.

**Line 1.020 Personal Property Taxes**

Tangible personal property (TPP) taxes are assessed on the equipment and inventory owned by businesses and public utility personal property (PUPP) taxes are assessed on electric power and natural gas providers. The assessed value is taxed at the full voted rate of 67.55 mills. Businesses and public utilities report personal values annually which may cause substantial fluctuations from year to year.

Beginning in tax year 2006, HB 66 (Ohio Budget Bill FY06-07) provided for phase-out of tangible personal property (TPP) taxes on general business, telephone & telecommunications, and railroad properties over a period starting in tax year 2006 and ending in tax year 2010. In fiscal year terms this would be from FY 2008 to FY 2012. The state has provided only partial reimbursement for this tax loss to all governmental agencies (including schools) through the creation of a new state tax on businesses called a Commercial Activities Tax (CAT). The estimates of taxes and associated state fixed rate direct reimbursements are included in Line 1.050 Property Tax Allocation based on information currently available from the Ohio Department of Taxation.

Tax year 2014 reappraisal actual personal property valuation and effective millage and estimates for tax years thru 2019 are indicated below:

	Pers Property Valuation	Year-Over-Year Change	Full Voted Tax Rate	Year-Over-Year Change
2013	90,396,100		67.55	
2014	93,576,040	3,179,940	67.55	-
2015	92,172,399	(1,403,641)	67.55	-
2016	90,789,813	(1,382,586)	67.55	-
2017	89,427,966	(1,361,847)	67.55	-
2018	88,086,547	(1,341,419)	67.55	-
2019	86,765,249	(1,321,298)	67.55	-

- Tax year 2014 was a reappraisal year in Montgomery County.
- Tangible personal property consists of general business machinery, equipment and inventories.
  - ❖ Assessed valuation is 0% of the total valuation.
  - ❖ Collection rates are 0%.
  - ❖ Projected increases for new construction/growth are 0%.
- Public utility personal property is subject to taxation on their tangible personal property include electric, rural electric, natural gas, pipeline, water works, water transportation, heating, and telegraph companies.
  - ❖ Assessed valuation is 7% of the total valuation.
  - ❖ Collection rates are projected at 100%.
  - ❖ Projected increases for new construction/growth are as follows:

Tax Year	2014	2015	2016	2017	2018
Public Utility New Construction/Growth	-3.52%	-1.50%	-1.50%	-1.50%	-1.50%

- The actual 5-year average annual change was -7.72%.
- The projected 5-year average annual change is .56%.

### Line 1.035 Unrestricted Grants-in-Aid

The funding of K-12 public elementary and secondary schools in Ohio is a joint effort between the state and local school districts. State foundation funding distributions to school districts are determined by the biennial budget bill. The state budget is adopted in odd numbered years and implemented beginning in even numbered years. Payments are received twice per month.

The 130<sup>th</sup> General Assembly adopted the FY 2014-2015 biennium budget as Amended Substitute House Bill 59. The temporary Bridge formula has been replaced by new funding calculations. The amount of state funds that a district receives is based on a calculation that takes into account student enrollment and both the property and income wealth of the district. The new School Finance Payment Report (SFPR) replaces the BRIDGE Report. It is important to note that what is calculated for a funding component is not necessarily what the district will receive for it due to the existence of a funding cap in the new formula that limits funding.

Governor Kasich has introduced the FY 2016-2017 biennium budget as House Bill (HB) 64. Projections used herein are the House of Representatives approved Sub. HB 64. The Senate is currently considering its version.

Key factors, parameters and components of the calculations are highlighted below by the 3 primary segments:

- Statewide Factors and Parameters:
  - ❖ Total ADM, Formula ADM, Median Income, Economic Disadvantaged Percentage, 3 Year Average Valuation and 3 Year Federal Adjusted Gross Income
  - ❖ Guarantee: 2015=100% of 2013 funding; 2016, 2017=100% of 2015 funding
  - ❖ Growth Cap: 2015=10.50%; **2016, 2017=7.50%**; 2018, 2019=4%
  
- District Factors and Parameters:
  - ❖ Basic ADM, Special Education ADM, Career Tech FTE, Limited English Proficient ADM, K-3 Formula ADM, K-3 Formula ADM, K-3 E-School Formula ADM, Preschool Autism Scholarship ADM, Brick & Mortar Community and STEM School Formula ADM, E-School Formula ADM, Jon Peterson Scholarship ADM, Autism Scholarship ADM, Ed Choice Scholarship ADM, Economic Disadvantaged ADM, Economic Disadvantaged Percentage, 3 Year Average Federal Adjusted Gross Income, 3 Year Average Total Real Valuation, 3 Year Average Agricultural Real Valuation, 3 Year Average Adjusted Total Valuation, 3-Year Average Total Valuation, Exempt Property Valuation for FY14, Potential Property Valuation, State Share Index/Percentage and Economic Disadvantaged Index, Capacity Measure
  - ❖ Formula ADM: 2015=23,045; 2016=22,928; 2017=22,854; 2018=22,811; 2019=22,761
  - ❖ State Share Index/Percentage = .8017
  - ❖ Economic Disadvantaged Index = 3.2720
  
- Foundation Funding Components:
  - ❖ A. Opportunity Grant – Per pupil: 2015=\$5,800; 2016=\$5,900; 2017=\$6,000 at state share index
  - ❖ B. Targeted Assistance – uses the wealth index and a target millage rate of 6 mills each fiscal year
  - ❖ C. K-3 Literacy Funding – Tier 1: 2015=\$175; 2016=\$184; 2017=\$193 for each student in grades K-3 multiplied by the state share index/percentage. Tier 2: 2015=\$115; 2016=\$121; 2017=\$127
  - ❖ E. Limited English Proficiency Funding – 2015, 2016, 2017=\$1,515 at state share index/percentage
  - ❖ F. Gifted Education Funding – Identification funding: 2015, 2016, 2017=\$5.05 for all resident students. Service funding: 2015, 2016, 2017=\$37,370 for every 1,100 students for intervention specialist services and every 3,300 students for coordination services

- ❖ G. Transportation Funding – Greater of the cost per rider or cost per mile at state share index
- ❖ H. Special Education Additional Funding – funded by category

Category	Description	2015	2016	2017
1	Speech Only	\$1,517	\$1,547	\$1,578
2	Cognitive Disabilities, Specific Learning Disability, Developmentally Delayed, Other Health Impaired (Minor)	\$3,849	\$3,926	\$4,005
3	Hearing Impaired, Emotional Disturbance	\$9,248	\$9,433	\$9,622
4	Visual Impairment, Other Health Impaired (Major)	\$12,342	\$12,589	\$12,841
5	Multiple Disabilities, Orthopedic	\$16,715	\$17,049	\$17,390
6	Deaf-Blind, Autism, Traumatic Brain Injury	\$24,641	\$25,134	\$25,637

- Casino revenue is included and projected as follows:
  - ❖ Per Pupil amounts are forecasted at \$52 in 2015; and \$52 thereafter
- The actual 5-year average annual change was 3.84%.
- The projected 5-year average annual change is 7.06%.

**Line 1.040 Restricted State Grants-in-Aid**

Restricted state revenue sources are based on the state biennium budget. These include funding for economic disadvantaged students, career technical education and reimbursement for special education catastrophic costs.

- ❖ D. Economic Disadvantaged Funding – 2015, 2016, 2017=\$272 at disadvantaged index
- ❖ I. Career-Technical Educational Funding – 2015=\$225; 2016=\$236; 2017=\$246 at state share index/percentage for associated services plus funded by category

Category	Career Fields	2015	2016	2017
1	Agricultural & environmental systems, construction technologies, engineering & science technologies, finance, health science, information technology, manufacturing technologies.	\$4,800	\$4,992	\$5,192
2	Business & administration, hospitality & tourism, human services, law & public safety, transportation systems, arts & communications	\$4,550	\$4,732	\$4,921
3	Career based intervention	\$1,660	\$1,726	\$1,795
4	Education & training, marketing, workforce, development academics, public administration, career development	\$1,410	\$1,466	\$1,525
5	Family and consumer sciences (which includes students enrolled in GRADS)	\$1,210	\$1,258	\$1,308

**Line 1.045 Restricted Federal Grants-in-Aid – SFSF and Education Jobs Fund**

State Fiscal Stabilization Funds and Education Jobs funds were received in previous years. All funds have been previously received and expended. None of these federal dollars are projected during the forecast period.

**Line 1.050 Property Tax Allocation**

This line includes state reimbursement for tangible personal property (TPP) tax, electric deregulation (KwH), homestead and rollback, and the “ten thousand dollar exemption” where businesses are exempt from paying the first \$10,000 of property tax.

The state of Ohio’s 2005 tax reform package eliminated the state-wide business franchise (non-financial institutions) tax and a local tangible personal property (TPP) tax on business equipment and inventory. Both taxes were replaced with a Commercial Activity Tax (CAT) collected and maintained by the state of Ohio. The original language contained a phase-out of TPP reimbursement with policymakers committing 70% of CAT revenue to schools.

Amended Substitute House Bill 153 (Ohio Budget Bill FY12-FY13) removed the original provision that 70% of the CAT revenue would go to schools and replaced it with a commitment that the current TPP reimbursement would remain “**in perpetuity**”. Now, the Executive and House versions of the Ohio Budget Bill FY16-FY17 resume phase-out and eventual elimination of TPP reimbursements.

HB59 (Ohio Budget Bill FY14-FY15) eliminated both the 10% rollback and the 2.5% rollback for additional, replacement and the increase portions of renewal levies passed after the August 2013 election. Also, beginning with tax year 2014, new participants in the homestead exemption program will be subject to a means test.

The reimbursement for TPP is made twice a year in November and May.

- Substitute HB 59 TPP projection: 2015=\$5,023,786
- Substitute HB 64 TPP projection: 2016=\$2,724,218; 2017=\$424,650
- The KwH was completely phased out in fiscal 2012.
- The actual 5-year average annual change was -4.39%.
- The projected 5-year average annual change is -9.72%.

**Line 1.060 All Other Revenues**

This line item serves as a miscellaneous revenue category for various sources not included above such as investment income, payments in lieu of taxes for compensation agreements, facility rentals, fees, tuition, donations, and other miscellaneous revenue sources. Estimates are based upon historical trends.

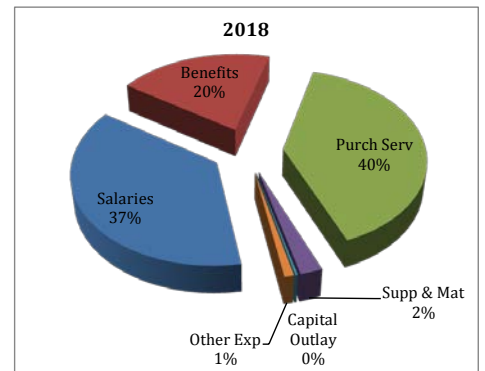
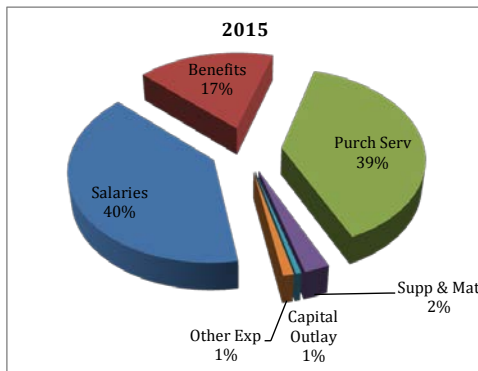
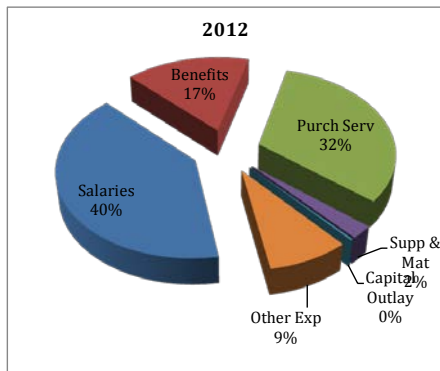
**Lines 2.010 through 2.060 Other Financing Sources**

In fiscal year 2012 the District issued the Series 2012 Certificates of Participation (COPS) for the purpose of advance refunding \$14,035,000 in aggregate principal amount of \$16,360,000 COPS dated August 12, 2003. Also included in this category are operating transfers-in and advances-in. Advances-in include returns of money advanced by the General Fund to other funds to cover a short-term end of year deficit balance. These transactions are considered a “loan” to the deficit fund and must be repaid to the General Fund. Projected amounts are based on prior year actual advances-out and historical trends.

**EXPENDITURES**

**Operating Expenditure Summary**

Dayton City School District



	ACTUAL		FORECASTED				6 Year Projected % Change
	2012	% of Budget	2015	% of Budget	2018	% of Budget	
3.010 - Personnel Services	91,544,913	40.32%	89,395,925	39.80%	97,414,131	37.25%	6.41%
3.020 - Employees' Retirement/Insurance Benefi	37,427,969	16.48%	39,295,699	17.50%	51,616,258	19.74%	37.91%
3.030 - Purchased Services	72,693,235	32.02%	86,644,433	38.58%	103,624,199	39.62%	42.55%
3.040 - Supplies and Materials	5,487,904	2.42%	5,652,872	2.52%	5,824,160	2.23%	6.13%
3.050 - Capital Outlay	518,972	0.23%	1,222,230	0.54%	561,059	0.21%	8.11%
3.060-4.300 - Other Expenditures	19,379,604	8.54%	2,382,125	1.06%	2,478,666	0.95%	-87.21%
4.500 - Total Expenditures	227,052,597		224,593,285		261,518,472		15.18%

**Line 3.010 Personal Services**

The expenditures in this category are for salaries and wages for services rendered for all union and non-union employees. In addition to cost of living wage increases, a majority of employees who are paid on a salary schedule receive vertical step increases based on years of experience. Additionally, certified staff can move horizontally between ranges on the salary schedule by furthering their education (i.e. Bachelor's Degree to Master's Degree, etc.). Union employees are represented by twelve different associations. Professional staff members are represented by the Dayton Education Association (DEA). In December 2013, DEA and the District approved a new Master Contract effective through June 30, 2017. The other bargaining units have agreements through June 30, 2017 or are in the process of completing negotiations.

Key personal services factors used in the model are highlighted below:

- Salary and wage allocations by category are as follows:
  - ❖ Certified staff are 63% of total personal services
  - ❖ Classified staff are 22% of total personal services
  - ❖ Administrative staff are 9% of total personal services
  - ❖ Substitutes, overtime and other are 6% of total personal services
- Costs for horizontal range increases are between 0.10% and .25%.
- DEA staff members shall remain frozen on their 2013-2014 step through June 30, 2017.
- DEA staff members received a flat \$1,100 on each step of the salary schedule for 2014-2015.
- DEA staff members will receive a flat \$1,100 on each step of the salary schedule for 2015-2016.
- DEA staff members will receive a flat \$1,000 on each step of the salary schedule for 2016-2017.
- Most other union employees will receive 2% increases in 2014-2015, 2015-2016 and 2016-2017.
- The actual five-year average annual change is -1.37%.
- The projected five-year average annual change is 1.95%.



**Line 3.020 Employees' Retirement and Insurance Benefits**

Employee benefits include the following:

- Employer retirement payments to the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) are equal to 14% of salary. SERS levies a surcharge for part time employees who earn less than \$35,800. There is a cap of 2% of total district payroll. In addition, SERS cannot collect more than 1.5% of the total statewide payroll.
- In July 2010, SERS Foundation deductions changed from a calendar year basis, six months in arrears, to a fiscal year basis creating additional cost of \$503,608 per year thru 2016.
- Health care coverage is provided for employees on a self-insured basis up to a stop loss limit of \$350,000 specific claim. Claims are funded based upon a per employee charge. Future increases are projected to range between 7.25-7.5% based upon actuarial assumptions and historical claims trend.
- The district contributes 85% of the medical premium for full time staff and less for part time staff.
- Effective January 1, 2015, the health insurance plan will be administered as a high deductible health plan (HDHP) with a health savings account (HSA). The Board's contribution to the health savings account shall be \$750 for a single plan and \$1,500 for a family plan.
- The district contributes 90% of the dental premium.
- Effective January 1, 2015, Workers Compensation changed to a Group Retrospective Rating Program
- The actual five-year average annual change is 4.71%.
- The projected five-year average annual change is 5.17%.

**Line 3.030 Purchased Services**

This line includes costs for community and Science, Technology, Engineering and Math (STEM) schools, scholarships, open enrollment, contracted services, utilities, legal services, data processing, tuition and professional meeting expenses and lease payments for Certificates of Participation (COPS). Beginning in 2015 the COPS payments will be made from the bond retirement fund using remaining classroom facilities funds.

- School Finance Payment Report (SFPR) transfers and ADM are projected as follows:

Description	2014	2015	2016	2017	2018	2019
Community School And STEM Deductions \$	49,112,022	51,314,318	56,115,787	60,842,292	64,018,268	67,074,911
Open Enrollment \$	3,897,932	4,306,030	4,779,256	5,406,339	6,045,485	6,696,873
Scholarship Tuition \$	8,224,371	10,703,091	12,113,059	13,236,603	14,393,155	15,572,329
Community School And STEM Deductions AD	6,517	6,627	6,902	7,127	7,352	7,552
Open Enrollment ADM	693	758	833	933	1,033	1,133
Scholarship Tuition ADM	2,106	2,327	2,557	2,763	2,970	3,177

- The actual 5-year average annual change was 2.16%.
- The projected five-year average annual change is 5.68%.

**Line 3.040 Supplies and Materials**

This line includes general supplies, instructional materials including textbooks and media materials, bus fuel and tires and maintenance supplies.

- The projected five-year average annual change is 2.40%.

**Line 3.050 Capital Outlay**

The capital outlay category consists of any item having a life expectancy of five years or more, such as land, buildings, ground improvements, computers/technology, buses, vehicles, furnishings and equipment.

- The projected five-year average annual change is 15.60%.

**Line 4.010 through 4.060 Debt Service**

In fiscal year 2012 the District issued the Series 2012 Certificates of Participation (COPS) for the purpose of advance refunding \$14,035,000 in aggregate principal amount of \$16,360,000 COPS dated August 12, 2003.

**Line 4.300 Other Objects**

Expenditures in this category include property tax collection fees, memberships and audit fees.

- The projected five-year average annual change is -1.91%.

**Lines 5.010 through 5.030 Other Financing Uses**

This category includes operating transfers-out, advances-out and refund of prior year receipts. Operating transfers are funds transferred to the other funds. Advances are a loan to another fund to cover a temporary deficit balance. These funds are subsequently returned to the general fund. Refunds of prior year receipts are payments received in one fiscal year and returned to original payer in another fiscal year.

**Line 8.010 Estimated Encumbrances**

Encumbrances are legal financial obligations of the District that have not been expended at fiscal year end. Encumbrances are not projected.

**Conclusion**

This forecast is based on the forgoing assumptions and the best information available to the administration at this time. Past performance is not necessarily an indication of future results. Changes in circumstances and the availability of additional information make this forecast subject to revision.

State law requires schools to operate with positive cash balances. Additional revenue and/or expenditure reductions will need to be considered prior to years where line 7.020 Cash Balance June 30 is negative. Given the uncertainty of future state budgets, local, state and national economic factors, as well as state and/or federal mandates, years beyond fiscal year 2017 may deviate significantly from the forecast.