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Fiscal stewardship: Is your local government positioned for long-term financial resilience?

1. Long-term financial modeling

The financial model is only as useful as the decisions it informs.

- Does your long-term model project a range of scenarios, or a single conservative line that your annual budget quietly outperforms every year?
- Are your projections calibrated against actual outcomes, so the model builds governing body confidence rather than eroding it?

THINK: If your model has shown a structural deficit for three consecutive years but you ended each year in balance, do your elected officials still take the projections seriously? Should they?

2. Connecting financial strategy to strategic planning goals

A budget that does not reflect your community's strategic priorities is just a spending plan.

- Are your multi-year financial projections explicitly tied to your organization's long-term strategic plan, so that resource allocation decisions reinforce rather than contradict stated priorities?
- When new strategic goals are adopted, does your financial model update to reflect their cost trajectory?

THINK: If your governing body set a new strategic priority today, could you show within your existing model what it would cost, what it would displace, and over what timeframe?

3. Structural balance and budget sustainability

Recurring services must be funded by recurring revenues.

- Have you mapped which service levels are currently sustained by temporary sources–federal aid, reserve draw downs, or one-time transfers–and quantified the exposure?
- Have you identified the point at which your expenditure growth rate structurally outpaces your sustainable revenue base?

THINK: If you stripped all non-recurring revenues from the adopted budget today, how many fiscal years of structural coverage remain?

4. Expenditure adjustments and service level impact

In local government, the conversation is never just about the money. It is about what the money does.

- When expenditure adjustments are made, are they explicitly tied to a defined change in service level or are cuts absorbed internally in ways that defer the community impact rather than resolve it?
- Does your organization have a clear framework for quantifying and communicating what a budget reduction means for service delivery, response times, program access, or infrastructure condition?

THINK: If your governing body asked what a 5% General Fund reduction means for residents, could you answer specifically in the room, without preparation?

5. Engaging the community and governing body

Financial decisions do not fail at the ballot box. They fail in the conference room, long before a vote is called.

- Do you have a structured process that moves stakeholders sequentially from financial literacy to policy options to accountable decisions?
- Does your community engagement strategy connect budget choices to service impacts in terms residents can see and feel, rather than in fund accounting terms they cannot?

THINK: The last time your organization faced a difficult financial choice, did the governing body have what they needed to decide or did the decision get deferred?

By critically reviewing these areas, your organization can build a more resilient financial foundation, ensuring you have the resources necessary to serve your community for generations to come. This assessment can serve as the foundation for a more proactive financial strategy.

Contact Jonathan Ingram for a deeper dive into assessing or strengthening your local government's financial program.

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