



# ARAPAHOE COUNTY





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# Finance Department Levels of Service

Board of County Commissioners

June 23, 2025 – 2:00pm

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# Current Service Levels and Resources

- Finance Department is composed of 5 divisions each with unique requirements, responsibilities, and support for departments/offices.
  - Accounting/AP/Payroll, Budget, Purchasing, SAP Business Operations, Performance Management/Process Improvement
- Currently, the Department does a great job of keeping up with the day-to-day financial operations and the financial work on behalf of the county that is mandated/required.
- Gaps exist in the following areas:
  - Our capacity to allocate staff time to support departments/elected offices financial needs and to collaborate on projects
  - Our capacity to spend time on financial matters that require a deeper dive or analysis to identify issues, update and modernize processes and polices
  - Our capacity to balance staff time between required day-to-day operations and completing projects that benefit the organization such as transitioning new departments/offices, additional capabilities such as grant management module in SAP, etc.
  - Very little coverage in some areas/duties if employees leave or are on leave



# Current Service Levels and Resources

- The department and its staff work hard to uphold financial responsibility, transparency, and accountability
- However, the county has grown faster than Finance has, and technology and efficiencies can only get you so far...
- Finance staffing in 2015 was 30 FTE, and is now 32 FTE in 2025 (1 FTE for PM/PI transition and 1 FTE from Public Health transition), or 7% growth over 10 years
- In same time,
  - County staffing has grown nearly 41%, and budget has grown 67%
  - Two new departments/offices have been added (District Attorney and Public Health) that involve more complex financial operations such as grants, fees, restitution, forfeitures
  - Transactions in many areas have increased over time such as accounts payable payments, purchasing card holders, grants, solicitations, budget requests and supplementals, and the number of funds and departments/offices supported



## “Have To” - Retain Grant Accountant Position

Accounting Division - Finance received one-time ARPA funding for a Grant Accountant that was instrumental in the day-to-day tracking, reporting, and compliance activities of ARPA and ERA as well as assisting with many other grants. This funding runs out at the end of 2025 and would result in a decrease in staffing for the Accounting Division.

- To be able to maintain current service levels in supporting departments and offices as well as assist with the implementation/expansion of new grant application and compliance processes and policies, retaining this position is critical.
- This position has also been helpful in other accounting and financial reporting duties due to the current workload of the Accounting Division.
- If not funded, capacity to support departments/offices grant needs would decrease, duties would have to be reallocated to other members of the Accounting Division increasing the already high workload, and there would be an increased risk of grant noncompliance, potential for audit findings and repayment of grant funds.
- \$135,000 ongoing cost of this position and conversion to authorized FTE.



## “Have To” – Escalation in Audit Costs

Accounting Division – Performing an annual audit of the County’s financial statements is required by the Colorado Audit Law, C.R.S. 29-1-603 in accordance with generally accepted auditing standards by an auditor.

- The most recent request for proposal for audit services was awarded to Clifton Larson Allen and in the proposal an estimate of future year audit costs was provided.
- The annual audit is the largest single line item of the department at \$158,000 and 30% of all non-personnel budget.
- The department has requested increases in the past for increased audit costs but has not done so regularly and when audit costs increase, decreases in other Finance line items occur.
- Increase of \$15,000 in ongoing costs every other year.



## “Should” – Additional Budget Analyst Position

Budget Division - Staffing for the Budget Division was reduced in 2014 from 4 analysts to 3 in order to reallocate to another need within the Finance Department. Since then, there has been an increase in workload and a significant turnover in experienced financial staff in the departments/offices as well as the addition of two new larger departments/offices where prior they required much less support as outside entities.

- Overall increase in the county’s budget, supplemental requests, complexity of budgets and property tax calculations, taxing authorities, etc.
- Current workload results in budget staff focusing on primary duties, statutory requirements, and responding to department/office support requests.
- Addition of budget analyst position would allow Division to spread out the workload, freeing up time for budget analysts to spend more time on department support and training, researching budget issues, more attention to assets and capital projects, special projects, and being more proactive in improving budget processes.
- \$116,000 ongoing cost of this position and increase in division FTE from 4 to 5.



## “Should” – Additional Purchasing Position

Purchasing Division – New manager and mostly new staff since 2022 and have implemented a number of new programs to assist departments/offices including addition of vendor performance measures, 90-day contract renewal report, faster processing times, and an effort to reduce waivers that has shown results. However, workload has continued to grow:

- Solicitations used to average about 44 per year pre-2022 but have averaged 59 the last 3 years and have 36 YTD in 2025
- Increased requests from departments/offices for assistance and trainings, increased CORA requests, implementation of processes to assist IT with software accessibility and cybersecurity standards
- Current workload requires manager to carry as many departments/offices as current purchasing agents and creates coverage issues when staff are on leave
- Additional purchasing agent would enable increased ability of division to meet department/office needs, providing more assistance,
- \$98,000 ongoing cost of this position and increase in division FTE from 5 to 6.



## “Should” – Additional AP/Payroll Position

Accounting Division – The workload of both the Accounts Payable and Payroll areas has grown over time and with limited staff, other beneficial work takes second priority to essential processes that must be completed.

- For Payroll, the 41% increase in staffing and additional payroll items to track and process such as the new benefit plans, DA retirement, and PERA have increased the workload for these 2 staff members.
- In Accounts Payable, both purchasing card holders and A/P payments have increased close to 14% over the past increasing the need for reviews, vendor tax information updates, requests for electronic payments, as well as integrating 2 new depts/offices.
- Payroll and A/P currently only have 2 staff members each to process all of the county's payroll and payments and at this workload, the capacity for other activities such as p-card audits, vendor reviews, training, and assisting with projects is not likely and there is coverage concern when one of the staff members is on leave.
- Financial controls and segregation of duties prevents coverage/cross-training.
- \$91,000 ongoing cost of this position and increase in division FTE from 5 to 6.



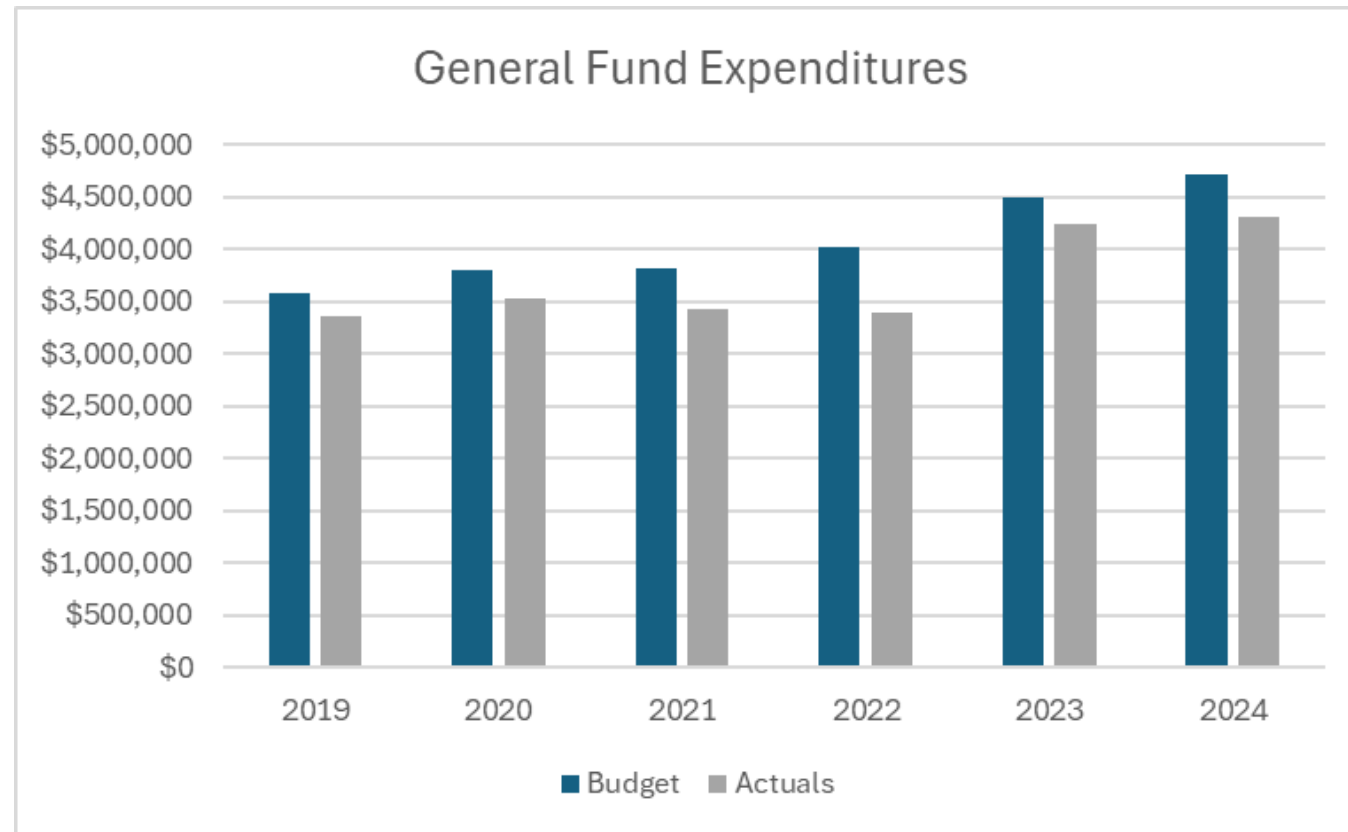
## “Should” – Additional Funds for Services

The Finance Department’s budget is 91% salary and benefit costs, and the department has limited funds to respond to changing conditions without reducing spending in other line items for things such as funding for employee training and office supplies.

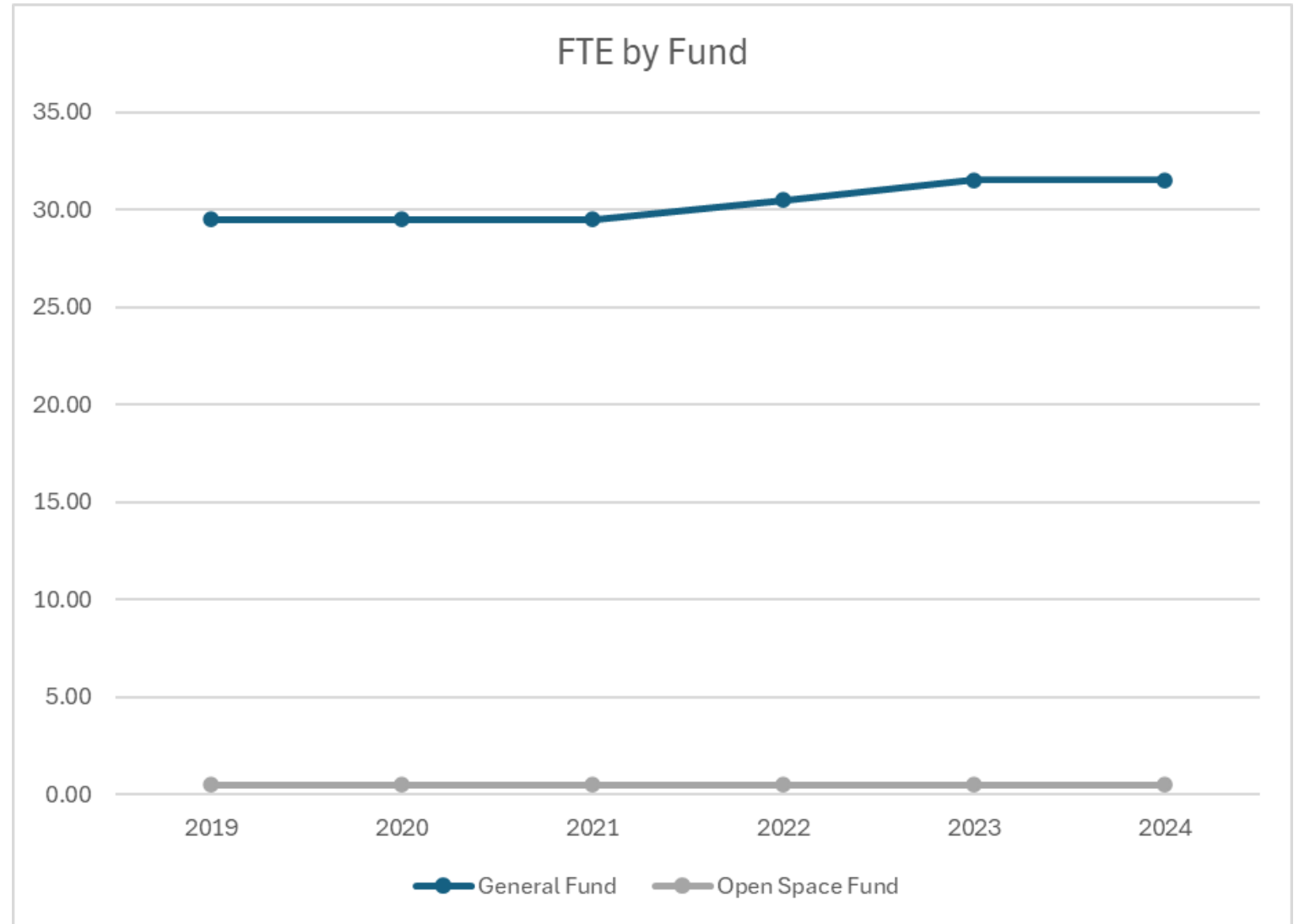
- Department has identified some potential needs on the horizon that may require additional funding.
- Document accessibility assistance – the ACFR and budget book are very large documents that contain many tables, charts, and other not easily converted sections. We may need additional assistance for these specialized documents if current proposed solutions do not work.
- The implementation of GASB 87 and 96 involved developing complex spreadsheets but, while compliant, this manual method is error-prone and resource-intensive due to the complexity of required calculations. Using an automated tool would be very beneficial.
- On occasion, there is a technical question or issue with the financial system that may require expertise and assistance beyond the capabilities of our current staff, and we may need to reach out to outside experts.
- \$40,000 ongoing cost for these purposes
- If not funded, the department would have to decrease spending in other areas in order to fund these items without submitting a budget or supplemental funding request.

# Finance

## Look Back 2019-2024



# Finance Look Back 2019-2024





# Areas of Opportunity

- Capacity is really what the Finance Department is looking for in our requests.
  - The ability to do more to assist departments/offices with financial matters and meet their needs.
  - The ability to spend more time on financial topics to research and analysis and develop solutions and improve processes without putting required activities at risk.
  - Provide coverage that does not strain ability to process workload when there are vacancies or leaves.
  - Great team in the Finance Department and would like to get them more involved in being more proactive, less reactive.
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# Challenges/Concerns

- Space constraints – since the prior space study, Finance is spread out across the Administration Building and currently, there is not enough space to accommodate additional staff.
- Recruitment of talented staff – in a small department with smaller work groups, finding well-qualified candidates can sometimes be difficult.