

Yankton County Finance Task Force
Report to the Tax Payers of Yankton County
October 27, 2026

Finance Task Force Members:

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The County Commission approved charter for the Finance Task Force included the following:

- Provide recommendations to the County Commission on financial reporting, budget updates and variance reporting, optimizing the working relationship between the Commission and County Department Directors.
- Draft recommendations for finance and budget policy changes or new policies.
- Review the current and proposed budgets to determine the budgetary needs of the county over the next five years.
- Provide advice and recommendations regarding whether the county will need to make expense and service reductions or raise taxes over the next five years.
- Determine possible grant funding that will expire and may require additional county funds to replace grant funds.
- Review the county reserve funds and how they are managed.
- Review how the county tracks and collects past due accounts.
- Provide recommendations concerning how the county should prioritize capital expenditures and financing in the next five years.

The task force reviewed data from county records, the state of South Dakota, and from similar size counties in South Dakota. Multiple Yankton County department directors were interviewed for this project. We found them and their staff to be very knowledgeable of their department and dedicated to the county. We also held discussions with the South Dakota Department of Legislative Audit and with Minnehaha County which recently completed a similar process.

Our recommendations are organized into three general areas:

- **Financial Reporting.** The commission and department directors should receive monthly revenue and expenditure reports. New or modified software may be required to streamline budgeting and reporting.
 - Establish a 3-to-5-year capital planning process and determine annual funding requirements. Departments should prepare project and equipment replacement plans for the commission to consolidate, prioritize, and incorporate into the budget. Evaluating software options that could streamline the budgeting and reporting should be pursued.
 - PLACEHOLDER FOR FOLLOWUP ON DELINQUENT ACCOUNTS/TAXES

- PLACEHOLDER ON COUNTY INVESTMENTS
- Produce payroll reports that compare actual paid hours with budgeted hours and show full time equivalent (FTE) staffing trends.
- Implement monthly cash flow analysis with projections.
- Review payroll and timekeeping processes to determine whether software of workflow changes is needed. Developing consistent standards for all county departments.
- Review assigned fund balances, closed grants and completed projects annually, and approve closing entries prior to year end.
- **Policies and Procedures.** The county currently lacks many policies or procedures that guide consistent performance across county departments. Establishing clear policies and procedures provides clarity on how certain processes are completed in Yankton County by elected officials and staff. They also provide a basis for training new staff or elected officials. Finally, they also allow for flexibility for modification on a timely basis without having to review or approve changes to the Employee Handbook. Our suggested policies include:
 - Create a process for presenting county grant applications to the commission and for tracking grant related expenditures between department heads and the auditors office. The policy should identify any county obligations during and following the grant period. This process should also identify grant closeout processes.
 - Develop and investment policy in conjunction with the Treasurer.
 - Develop Human Resource policies to guide record keeping and security, timekeeping, require annual performance appraisals and other HR needs. Timekeeping in particular needs to be updated to eliminate supervisors from having to estimate the number of hours worked the last 7-10 days of each month. Other areas include pay for when offices are closed, due to weather, lunch hour breaks, and defining a full-time employee hours worked. Identify a lead person for Human Resource issues for the county.
 - Maintain a minimum fund balance to ensure the ability to cash flow the county.
 - Implement internal controls to enhance commission control of expenditures. Examples could include requiring department heads to request commission approval of any capital expenditures of \$25,000 or more, even if in an approved budget. Approval of any new employees or expanded hours above the approved budgeted total would also be required. This would not include replacing an employee who left county employment and was being replaced at the same or reduced hours.

- Establish a process for adjusting compensation for county employees. Market adjustments different from approved budgets can and do occur at times. However, the resources of the county to pay for the expenses are not unlimited.
- **Peer Data Comparison.** The task force reviewed data compiled by Brian Hunhoff, Yankton County Register of Deeds and Finance Task Force member. The data from 11 South Dakota counties, including Yankton, was reviewed. These counties have 15,000 to 38,000 people residing in the county. Yankton County can be viewed as a leader amongst these counties in efficiencies, given the revenues and expenditures of each county.
 - Yankton county's debt is also amongst the lowest of any of these counties, suggesting that debt financing via bonds or other methods could be pursued if necessary.
 - Yankton has the lowest county per capita property tax at \$354, when compared with Beadle, Davison, Lawrence, Codington and Meade counties. Those counties range from \$367 to \$573 per capita.
 - It should be noted that we are unable to draw other conclusions from this data since there may be variabilities amongst the counties as to how they categorize expenditures. Some counties operate jails or other functions, much like Yankton County having the ambulance service. We also have not been able to access actual hours worked in each department, including Yankton County. This precludes us from evaluating staffing levels to determine if more staff is needed or if there are opportunities for reductions to reduce taxpayer expense.
- **Other.**
 - Yankton County is the only county in South Dakota with the responsibility to operate an ambulance service. We recommend the following for Yankton County Ambulance and EMS steps:
 - Continue improving operational performance. New management has improved financial performance through scheduling changes, billing and coding improvements, and an increase in transfers. These actions reduced the annual operating loss from approximately \$400,000 to less than \$200,000. However, the potential for further operational improvement is limited.
 - Develop a business plan for expanded services. Evaluate opportunities to provide or coordinate existing services in adjoining areas or elsewhere in Yankton County. The plan should identify the staffing, equipment and other resources required, along with the revenue needed to cover additional costs.

- Like all county departments, EMS should project future capital needs. Forecasting ambulance, medical equipment, and facility needs so staff, commissioners, and taxpayers can understand future requirements and plan accordingly.
 - Evaluate a county wide ambulance district. After the county agrees on capital and operating needs, ask taxpayers to support a county wide ambulance district. The requested funding should sustain efficient ambulance service for all county residents. Any resulting general fund savings should be reserved to strengthen county cash flow rather than fund new services or staff.
 - Seek financial support from the City of Yankton. Approximately 85% of the ambulance calls occur within the City of Yankton. High volume locations include the South Dakota Human Services Center and Avera Majestic Bluffs. Support could take the form of an annual contribution, joint ownership or joint operations of EMS within Yankton County.
 - Seek financial support from Avera. Most EMS calls within Yankton County either transport patients to Avera Sacred Heart Hospital or originate there as transfers. A request for financial support from Avera has been publicly discussed but a formal request has not been made.
- The highway department has more miles to maintain in Yankton County than other counties our size. This requires an infusion of cash from the general fund each year. Inflation places additional pressures on what county staff can accomplish with limited dollars. Having multiple bridges that require replacement in the county will require millions of dollars. They have been creative in their operations, but either additional resources must be provided or taxpayers must accept a decreased level of service. The commission cannot continue to provide \$3-5 million of highway department funding from the general fund. The South Dakota Legislature has provided an option for counties to address this issue. It requires the commission and or voters to approve a Road and Bridge Levy, which would be used specifically for roads and bridges within the county. The Finance Task Force supports the passage of the Road and Bridge Levy.
 - The county should explore transferring responsibility of some roads to other governmental entities such as the City of Yankton. This may reduce maintenance costs for the county, but more importantly, would reduce future liabilities for rebuilding or resurfacing certain roads, allowing county highway department funding to address other needs.

- The county should evaluate the discretionary formula for phasing in of property taxes for new buildings. The current formula was developed in the 1970's and may need to be updated to allow for accelerated collection of property taxes since the county will be providing services to that location.