



Financial Statements

December 31, 2024 and 2023

# The Health Pool of South Dakota



The Board of Trustees  
The Health Pool of South Dakota  
Fort Pierre, South Dakota

Management is responsible for the accompanying financial statements of The Health Pool of South Dakota (the Pool), which comprise the statement of net position as of December 31, 2024, and the related statement of revenues, expenses, and changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements of The Health Pool of South Dakota for the year ended December 31, 2023, were audited by us and we expressed an unmodified opinion on them in our report dated August 23, 2024. Comparative totals from the report are presented alongside the compiled information for comparative purposes only. We have not performed any audit procedures since that date.

Management has elected to omit substantially all of the disclosures and statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Pool's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the required Management's Discussion and Analysis and the schedule of claims development information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Fargo, North Dakota  
February 3, 2025

# The Health Pool of South Dakota

## Statements of Net Position December 31, 2024 and 2023

	December 31, 2024 (Compiled)	December 31, 2023 (Audited - Comparative Purposes Only)
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,624,527	\$ 3,083,458
Certificates of deposit	226,180	295,100
Debt and equity securities	3,674,463	3,497,761
Receivables		
Member contributions	9,822	6,816
From claims administrator	158,627	-
Investment income	24,875	20,268
Pharmacy rebates	352,539	276,991
Prepaid expenses	875	970
Total current assets	8,071,908	7,181,364
Long-Term Investments		
Certificates of deposit	1,023,477	593,681
Debt and equity securities	379,162	580,840
Total long-term investments	1,402,639	1,174,521
	<u>\$ 9,474,547</u>	<u>\$ 8,355,885</u>
Liabilities and Net Position		
Current Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expense	\$ 640,000	\$ 640,000
Payable to claims administrator	-	254,300
Advance member contributions	25,628	20,741
Accrued expenses	30,916	27,722
Total current liabilities	696,544	942,763
Net Position		
Unrestricted	8,778,003	7,413,122
	<u>\$ 9,474,547</u>	<u>\$ 8,355,885</u>

The Health Pool of South Dakota  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended December 31, 2024 and 2023

	2024 (Compiled)	2023 (Audited - Comparative Purposes Only)
Operating Revenues		
Member contributions earned	\$ 10,155,301	\$ 8,776,392
Less reinsurance premiums ceded	<u>(1,545,778)</u>	<u>(1,204,975)</u>
Net operating revenues	<u>8,609,523</u>	<u>7,571,417</u>
Operating Expenses		
Claims and claims adjustment expenses incurred		
Claims and claims adjustment expenses incurred, less pharmacy rebates	9,481,494	8,578,693
Reinsurance recoveries	<u>(2,257,146)</u>	<u>(1,554,281)</u>
Total claims and claims adjustment expenses incurred	<u>7,224,348</u>	<u>7,024,412</u>
General and administrative expenses		
Ancillary services expense	101,792	95,840
Actuarial and accounting fees	46,412	25,110
Service fee	29,556	28,584
Sponsorship fee	16,349	15,819
Affordable Care Act fees	4,106	3,519
Board of Trustee fees and expenses	4,429	6,631
Advertising	5,771	5,586
Bonds and insurance	1,847	1,731
Other (income) expense	<u>770</u>	<u>3,693</u>
Total general and administrative expenses	<u>211,032</u>	<u>186,513</u>
Operating Income	<u>1,174,143</u>	<u>360,492</u>
Net Investment Income		
Interest and other income	208,200	180,255
Net realized loss on investments	(128,266)	(41,082)
Net unrealized gain on investments	<u>110,804</u>	<u>107,530</u>
Total net investment income	<u>190,738</u>	<u>246,703</u>
Change in Net Position	<u>\$ 1,364,881</u>	<u>\$ 607,195</u>
Net Position		
Net Position, Beginning of Period	\$ 7,413,122	\$ 6,805,927
Change in net position	<u>1,364,881</u>	<u>607,195</u>
Net Position, End of Period	<u>\$ 8,778,003</u>	<u>\$ 7,413,122</u>