



Financial Statements

December 31, 2023 and 2022

# 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, 2023, and the related statement of revenues, expenses, and changes in net position for the year ended December 31, 2023 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, 2022, were audited by us and we expressed an unmodified opinion on them in our report dated August 18, 2023. Comparative totals from the report are presented alongside the compiled information for comparative purposes only. We have not performed any auditing 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 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  
January 31, 2024

# The Health Pool of South Dakota

## Statements of Net Position December 31, 2023 and 2022

	December 31, 2023 (Compiled)	December 31, 2022 (Audited - Comparative Purposes Only)
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,082,381	\$ 3,283,348
Certificates of deposit	421,649	94,047
Debt and equity securities	3,593,591	3,393,096
Receivables		
Member contributions	6,816	94,420
Investment income	20,268	15,681
Pharmacy rebates	276,991	235,229
Prepaid expenses	970	3,218
Total current assets	<u>7,402,666</u>	<u>7,119,039</u>
Long-Term Investments		
Certificates of deposit	467,132	184,895
Debt and equity securities	485,010	526,620
Total long-term investments	<u>952,142</u>	<u>711,515</u>
	<u>\$ 8,354,808</u>	<u>\$ 7,830,554</u>
Liabilities and Net Position		
Current Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expense	\$ 880,000	\$ 880,000
Payable to claims administrator	299,946	51,350
Advance member contributions	20,741	57,690
Accrued expenses	27,722	35,587
Total current liabilities	<u>1,228,409</u>	<u>1,024,627</u>
Net Position		
Unrestricted	<u>7,126,399</u>	<u>6,805,927</u>
	<u>\$ 8,354,808</u>	<u>\$ 7,830,554</u>

The Health Pool of South Dakota  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended December 31, 2023 and 2022

	2023 (Compiled)	2022 (Audited - Comparative Purposes Only)
Operating Revenues		
Member contributions earned	\$ 8,776,393	\$ 8,874,599
Less reinsurance premiums ceded	<u>(1,204,975)</u>	<u>(1,105,757)</u>
Net operating revenues	<u>7,571,418</u>	<u>7,768,842</u>
Operating Expenses		
Claims and claims adjustment expenses incurred		
Claims and claims adjustment expenses		
incurred, less pharmacy rebates	8,818,689	7,917,406
Reinsurance recoveries	<u>(1,508,636)</u>	<u>(1,457,259)</u>
Total claims and claims adjustment		
expenses incurred	<u>7,310,053</u>	<u>6,460,147</u>
General and administrative expenses		
Ancillary services expense	95,840	105,901
Actuarial and accounting fees	25,110	35,156
Service fee	31,034	26,443
Sponsorship fee	15,819	14,649
Bookkeeping fees	-	7,275
Affordable Care Act fees	3,519	3,356
Board of Trustee fees and expenses	7,709	3,234
Advertising	5,586	3,120
Bonds and insurance	1,731	2,260
Other (income) expense	<u>1,243</u>	<u>1,980</u>
Total general and administrative expenses	<u>187,591</u>	<u>203,374</u>
Operating Income	<u>73,774</u>	<u>1,105,321</u>
Net Investment Income		
Interest and other income	180,255	107,048
Net realized loss on investments	(41,082)	(106,765)
Net unrealized loss on investments	<u>107,525</u>	<u>(371,074)</u>
Total net investment loss	<u>246,698</u>	<u>(370,791)</u>
Change in Net Position	<u>\$ 320,472</u>	<u>\$ 734,530</u>
Net Position		
Net Position, Beginning of Period	\$ 6,805,927	\$ 6,071,397
Change in net position	<u>320,472</u>	<u>734,530</u>
Net Position, End of Period	<u>\$ 7,126,399</u>	<u>\$ 6,805,927</u>