



Financial Statements

December 31, 2022 and 2021

# 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, 2022, and the related statement of revenues, expenses, and changes in net position for the year ended December 31, 2022 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, 2021, were audited by us and we expressed an unmodified opinion on them in our report dated July 27, 2022. 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 supplemental 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 cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota  
February 2, 2023

The Health Pool of South Dakota  
Statements of Net Position  
December 31, 2022 and 2021

	2022 (Compiled)	2021 (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,283,348	\$ 2,775,975
Certificates of deposit	-	285,779
Debt and equity securities	-	3,014,030
Receivables		
Member contributions	95,059	26,599
Reinsurance	-	9,826
Investment income	15,681	10,491
Pharmacy rebates	235,229	225,323
Prepaid expenses	3,218	6,181
<b>Total current assets</b>	<b>3,632,535</b>	<b>6,354,204</b>
<b>Long-Term Investments</b>		
Certificates of deposit	278,942	204,015
Debt and equity securities	3,919,716	661,654
<b>Total long-term investments</b>	<b>4,198,658</b>	<b>865,669</b>
	<b>\$ 7,831,193</b>	<b>\$ 7,219,873</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Estimated liability for reported and unreported claims and claims adjustment expense	\$ 675,000	\$ 675,000
Payable to claims administrator	51,350	263,842
Advance member contributions	57,690	175,859
Accrued expenses	35,587	33,775
<b>Total current liabilities</b>	<b>819,627</b>	<b>1,148,476</b>
<b>Net Position</b>		
Unrestricted	7,011,566	6,071,397
	<b>\$ 7,831,193</b>	<b>\$ 7,219,873</b>

The Health Pool of South Dakota  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended December 31, 2022 and 2021

	2022 (Compiled)	2021 (Audited)
Operating Revenues		
Member contributions earned	\$ 8,872,705	\$ 8,047,069
Less reinsurance premiums ceded	<u>(1,105,757)</u>	<u>(1,078,872)</u>
Net operating revenues	<u>7,766,948</u>	<u>6,968,197</u>
Operating Expenses		
Claims and claims adjustment expenses incurred		
Claims and claims adjustment expenses		
incurred, less pharmacy rebates	7,712,404	7,195,847
Reinsurance recoveries	<u>(1,457,259)</u>	<u>(669,135)</u>
Total claims and claims adjustment		
expenses incurred	<u>6,255,145</u>	<u>6,526,712</u>
General and administrative expenses		
Ancillary services expense	105,901	99,183
Actuarial and accounting fees	35,156	31,630
Service fee	26,443	24,597
Sponsorship fee	14,649	13,640
Bookkeeping fees	7,275	9,769
Affordable Care Act fees	3,356	2,958
Board of Trustee fees and expenses	3,234	3,897
Advertising	3,120	3,120
Bonds and insurance	2,260	2,134
Other (income) expense	<u>1,980</u>	<u>8,675</u>
Total general and administrative expenses	<u>203,374</u>	<u>199,603</u>
Operating Income	<u>1,308,429</u>	<u>241,882</u>
Net Investment Income		
Interest and other income	107,048	75,598
Net realized loss on investments	(106,765)	(5,895)
Net unrealized loss on investments	<u>(368,543)</u>	<u>(112,642)</u>
Total net investment loss	<u>(368,260)</u>	<u>(42,939)</u>
Change in Net Position	<u>\$ 940,169</u>	<u>\$ 198,943</u>
Net Position		
Net Position, Beginning of Period	\$ 6,071,397	\$ 5,872,454
Change in net position	<u>940,169</u>	<u>198,943</u>
Net Position, End of Period	<u>\$ 7,011,566</u>	<u>\$ 6,071,397</u>