



Financial Statements
December 31, 2021 and 2020

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, 2021, and the related statement of revenues, expenses, and changes in net position for the year ended December 31, 2021 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, 2020, were audited by us and we expressed an unmodified opinion on them in our report dated August 26, 2021. 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 black ink that reads "Eide Bailly LLP".

Fargo, North Dakota
January 21, 2022

The Health Pool of South Dakota
Statements of Net Position
December 31, 2021 and 2020

	2021 (Compiled)	2020 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,623,355	\$ 1,966,540
Certificates of deposit	285,779	408,256
Debt and equity securities	-	2,910,845
Receivables		
Member contributions	47,862	71,530
Reinsurance	9,826	67,448
Investment income	10,491	13,906
Pharmacy rebates	215,844	136,579
Prepaid expenses	6,181	653
Total current assets	3,199,338	5,575,757
Long-Term Investments		
Certificates of deposit	204,015	504,632
Debt and equity securities	3,675,684	478,988
Total long-term investments	3,879,699	983,620
	\$ 7,079,037	\$ 6,559,377
Liabilities and Net Position		
Current Liabilities		
Estimated liability for reported and unreported claims and claims adjustment expense	\$ 750,000	\$ 575,000
Payable to claims administrator	263,842	71,200
Advance member contributions	23,240	7,322
Accrued expenses	33,775	33,401
Total current liabilities	1,070,857	686,923
Net Position		
Unrestricted	6,008,180	5,872,454
	\$ 7,079,037	\$ 6,559,377

The Health Pool of South Dakota
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2021 and 2020

	2021 (Compiled)	2020 (Audited)
Operating Revenues		
Member contributions earned	\$ 8,030,987	\$ 6,787,411
Less reinsurance premiums ceded	(1,078,872)	(811,558)
Net operating revenues	6,952,115	5,975,853
Operating Expenses		
Claims and claims adjustment expenses incurred		
Claims and claims adjustment expenses incurred, less pharmacy rebates	7,242,995	5,179,470
Reinsurance recoveries	(669,135)	(351,910)
Total claims and claims adjustment expenses incurred	6,573,860	4,827,560
General and administrative expenses		
Ancillary services expense	99,183	87,925
Actuarial and accounting fees	31,630	37,650
Service fee	24,597	23,881
Sponsorship fee	13,640	13,049
Bookkeeping fees	9,769	9,789
Advertising	3,120	3,120
Bonds and insurance	2,134	2,981
Affordable Care Act fees	2,958	2,801
Board of Trustee fees and expenses	3,897	1,718
Other (income) expense	2,394	(2,582)
Total general and administrative expenses	193,322	180,332
Operating Income	184,933	967,961
Other Income		
Net investment income	63,938	128,302
Net unrealized gain (loss) on investments	(113,145)	55,001
Total other income (loss)	(49,207)	183,303
Change in Net Position	\$ 135,726	\$ 1,151,264
Net Position		
Net Position, Beginning of Period	\$ 5,872,454	\$ 4,721,190
Change in net position	135,726	1,151,264
Net Position, End of Period	\$ 6,008,180	\$ 5,872,454