



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

42 Mill Creek Park
Frankfort, Kentucky 40601
Phone: (502) 573-3505
Fax: (502) 573-4923
www.kwcfc.ky.gov

Lisa Gilreath-King
Executive Director

October 29, 2021

Senator Christian McDaniel, Co-Chair
Representative Jason Petrie, Co-Chair
Interim Committee on Appropriations and Revenue
Capitol Annex
Frankfort, Kentucky 40601

Dear Committee Members:

Attached is our agency expenditure report submitted pursuant to KRS 342.1223(2)(h) for fiscal year-to-date July 31, 2021.

If you need additional information, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Kim C. Hay".

Kim C. Hay
Director of Fiscal Operations

ENCLOSURES



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For One Month Ending July 2021

	Actual For One Month	Budget For One Month	Variance For One Month	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	104,008.41	118,175.00	-14,166.59	88.0%
FICA	7,741.87	9,037.50	-1,295.63	85.7%
RETIREMENT	87,654.79	99,725.00	-12,070.21	87.9%
HEALTH INSURANCE	16,676.60	19,566.67	-2,890.07	85.2%
LIFE INSURANCE	24.00	50.00	-26.00	48.0%
WORKERS COMPENSATION	0.00	108.33	-108.33	0.0%
UNEMPLOYMENT PAY	0.00	100.00	-100.00	0.0%
ELECTRICITY	792.23	650.00	142.23	121.9%
NATURAL GAS	86.04	233.33	-147.29	36.9%
COPY MACHINE RENTAL	315.30	333.33	-18.03	94.6%
POSTAGE	68.03	258.33	-190.30	26.3%
ADVERTISING	0.00	41.67	-41.67	0.0%
PRINTING	0.00	41.67	-41.67	0.0%
GARBAGE	52.71	66.67	-13.96	79.1%
COMPUTER SOFTWARE	2,128.01	2,800.00	-671.99	76.0%
MISC. SERVICES	236.00	558.33	-322.33	42.3%
OFFICE SUPPLIES	60.91	325.00	-264.09	18.7%
IN-STATE-TRAVEL	0.00	333.33	-333.33	0.0%
OUT-OF-STATE TRAVEL	0.00	1,000.00	-1,000.00	0.0%
COMPUTER EQUIPMENT	0.00	333.33	-333.33	0.0%
LEGAL SERVICES	0.00	250.00	-250.00	0.0%
SUBSCRIPTIONS	0.00	225.00	-225.00	0.0%
EMPLOYEE TRAINING	720.00	1,583.33	-863.33	45.5%
AUDIT SERVICES	0.00	1,916.67	-1,916.67	0.0%
RENT	10,722.63	3,583.33	7,139.30	299.2%
SECURITY GUARD	0.00	216.67	-216.67	0.0%
MISC. EXPENSES	341.41	2,358.33	-2,016.92	14.5%
ACTUARIAL SERVICES	0.00	2,500.00	-2,500.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	2,250.00	-2,250.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	416.67	-416.67	0.0%
COT CHARGES	422.87	5,666.67	-5,243.80	7.5%
BOOKS DEPARTMENT USE	0.00	83.33	-83.33	0.0%
JANITORIAL SUPPLIES	0.00	141.67	-141.67	0.0%
E-FILE CHARGES	0.00	750.00	-750.00	0.0%
TOTAL EXPENSES	<u>232,051.81</u>	<u>275,679.17</u>	<u>-43,627.36</u>	<u>84.2%</u>



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Attached is our agency expenditure report submitted pursuant to KRS 342.1223(2)(h) for fiscal year-to-date August 31, 2021.

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Sincerely,

A handwritten signature in blue ink that reads "Kim C. Hay".

Kim C. Hay
Director of Fiscal Operations

ENCLOSURES



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For the Two Months Ended August 31, 2021

	Actual For Two Months	Budget For Two Months	Variance For Two Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	173,492.15	196,958.33	-23,466.18	88.1%
FICA	12,909.44	15,062.50	-2,153.06	85.7%
RETIREMENT	146,000.28	166,208.33	-20,208.05	87.8%
HEALTH INSURANCE	25,014.90	29,350.00	-4,335.10	85.2%
LIFE INSURANCE	36.00	83.33	-47.33	43.2%
WORKERS COMPENSATION	904.38	216.67	687.71	417.4%
UNEMPLOYMENT PAY	0.00	200.00	-200.00	0.0%
ELECTRICITY	1,366.55	1,300.00	66.55	105.1%
NATURAL GAS	172.08	466.67	-294.59	36.9%
COPY MACHINE RENTAL	634.06	666.67	-32.61	95.1%
POSTAGE	88.57	516.67	-428.10	17.1%
ADVERTISING	0.00	83.33	-83.33	0.0%
PRINTING	0.00	83.33	-83.33	0.0%
GARBAGE	105.42	133.33	-27.91	79.1%
COMPUTER SOFTWARE	2,676.68	5,600.00	-2,923.32	47.8%
MISC. SERVICES	345.72	1,116.67	-770.95	31.0%
OFFICE SUPPLIES	60.91	650.00	-589.09	9.4%
IN-STATE-TRAVEL	0.00	666.67	-666.67	0.0%
OUT-OF-STATE TRAVEL	0.00	2,000.00	-2,000.00	0.0%
COMPUTER EQUIPMENT	0.00	666.67	-666.67	0.0%
LEGAL SERVICES	0.00	500.00	-500.00	0.0%
SUBSCRIPTIONS	295.00	450.00	-155.00	65.6%
EMPLOYEE TRAINING	720.00	3,283.33	-2,563.33	21.9%
AUDIT SERVICES	0.00	3,716.67	-3,716.67	0.0%
RENT	10,722.63	7,166.67	3,555.96	149.6%
SECURITY GUARD	0.00	433.33	-433.33	0.0%
MISC. EXPENSES	356.40	4,716.67	-4,360.27	7.6%
ACTUARIAL SERVICES	0.00	5,000.00	-5,000.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	4,500.00	-4,500.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	833.33	-833.33	0.0%
COT CHARGES	7,554.30	11,333.33	-3,779.03	66.7%
BOOKS DEPARTMENT USE	0.00	166.67	-166.67	0.0%
JANITORIAL SUPPLIES	0.00	283.33	-283.33	0.0%
E-FILE CHARGES	1,815.00	1,500.00	315.00	121.0%
TOTAL EXPENSES	<u>385,270.47</u>	<u>465,912.50</u>	<u>-80,642.03</u>	<u>82.7%</u>



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Interim Committee on Appropriations and Revenue
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Frankfort, Kentucky 40601

Dear Committee Members:

Attached are our agency financial reports submitted pursuant to KRS 342.1223(2)(h). This is for the fiscal year-to-date September 30, 2021. Enclosed are the following reports:

- 1) Fiscal year-to-date expenditure detail
- 2) Fiscal year-to-date Inter-Agency Transfers
- 3) Quarterly (unaudited) Balance Sheet and Income Statement.

If you need additional information, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Kim C. Hay".

Kim C. Hay
Director of Fiscal Operations

ENCLOSURES



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For the Three Months Ended September 30, 2021

	Actual For Three Months	Budget For Three Months	Variance For Three Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	243,120.69	275,741.67	-32,620.98	88.2%
FICA	18,088.07	21,087.50	-2,999.43	85.8%
RETIREMENT	204,467.36	232,691.67	-28,224.31	87.9%
HEALTH INSURANCE	33,353.20	34,241.67	-888.47	97.4%
LIFE INSURANCE	48.00	100.00	-52.00	48.0%
WORKERS COMPENSATION	904.38	975.00	-70.62	92.8%
UNEMPLOYMENT PAY	0.00	300.00	-300.00	0.0%
ELECTRICITY	2,063.69	1,950.00	113.69	105.8%
NATURAL GAS	258.83	700.00	-441.17	37.0%
COPY MACHINE RENTAL	949.89	1,000.00	-50.11	95.0%
POSTAGE	140.27	775.00	-634.73	18.1%
ADVERTISING	0.00	125.00	-125.00	0.0%
PRINTING	0.00	125.00	-125.00	0.0%
GARBAGE	210.84	266.67	-55.83	79.1%
COMPUTER SOFTWARE	2,676.68	8,400.00	-5,723.32	31.9%
MISC. SERVICES	411.72	1,675.00	-1,263.28	24.6%
OFFICE SUPPLIES	200.78	975.00	-774.22	20.6%
IN-STATE-TRAVEL	0.00	1,000.00	-1,000.00	0.0%
OUT-OF-STATE TRAVEL	0.00	3,000.00	-3,000.00	0.0%
COMPUTER EQUIPMENT	0.00	1,000.00	-1,000.00	0.0%
LEGAL SERVICES	0.00	750.00	-750.00	0.0%
SUBSCRIPTIONS	2,098.75	675.00	1,423.75	310.9%
EMPLOYEE TRAINING	720.00	4,925.00	-4,205.00	14.6%
AUDIT SERVICES	0.00	5,575.00	-5,575.00	0.0%
RENT	21,445.26	10,750.00	10,695.26	199.5%
SECURITY GUARD	0.00	650.00	-650.00	0.0%
MISC. EXPENSES	364.89	7,075.00	-6,710.11	5.2%
ACTUARIAL SERVICES	0.00	7,500.00	-7,500.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	6,750.00	-6,750.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	1,250.00	-1,250.00	0.0%
COT CHARGES	11,470.94	17,000.00	-5,529.06	67.5%
BOOKS DEPARTMENT USE	0.00	250.00	-250.00	0.0%
JANITORIAL SUPPLIES	0.00	425.00	-425.00	0.0%
E-FILE CHARGES	1,895.00	2,250.00	-355.00	84.2%
TOTAL EXPENSES	<u>544,889.24</u>	<u>651,954.17</u>	<u>-107,064.93</u>	<u>83.6%</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Three Months Ended September 30, 2021
Fiscal Year 2022

AGENCY	Q1 July - Sept 21			Q2 Oct - Dec 21			Q3 Jan - March 22			Q4 April - June 22			FYTD 2022		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Labor Administration	\$7,329,000	\$4,949,150	\$2,379,850	\$0	\$4,949,150	-\$4,949,150	\$0	\$4,949,150	-\$4,949,150	\$0	\$4,949,150	-\$4,949,150	\$7,329,000	\$19,796,600	-\$12,467,600
Labor Claims	\$8,181,000	\$12,750,800	-\$4,569,800	\$0	\$12,750,800	-\$12,750,800	\$0	\$12,750,800	-\$12,750,800	\$0	\$12,750,800	-\$12,750,800	\$8,181,000	\$51,003,200	-\$42,822,200
UEF	\$2,057,800	\$2,060,000	-\$2,200	\$0	\$1,794,600	-\$1,794,600	\$0	\$1,794,600	-\$1,794,600	\$0	\$1,794,600	-\$1,794,600	\$2,057,800	\$7,443,800	-\$5,386,000
KOSH	\$148,000	\$176,925	-\$28,925	\$0	\$176,925	-\$176,925	\$0	\$176,925	-\$176,925	\$0	\$176,925	-\$176,925	\$148,000	\$707,700	-\$559,700
CWP Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CWP Claims (To KEMH)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funding Commission	\$0	\$350,150	-\$350,150	\$0	\$350,150	-\$350,150	\$0	\$350,150	-\$350,150	\$0	\$350,150	-\$350,150	\$0	\$1,400,600	-\$1,400,600
Total	\$17,715,800	\$20,287,025	-\$2,571,225	\$0	\$20,021,625	-\$20,021,625	\$0	\$20,021,625	-\$20,021,625	\$0	\$20,021,625	-\$20,021,625	\$17,715,800	\$80,351,900	-\$62,636,100



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2021 AND 2020 (FOR COMPARISON)

ASSETS

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	668,587.89	4,984,613.76
ACCOUNTS RECEIVABLE	189,565.50	330,877.97
ASSESSMENT RECEIVABLE	15,434,023.40	15,125,658.19
RWAO KWCFC ADMN CASH ACCOUNT	107,943.52	85,958.20
<u>TOTAL CURRENT ASSETS</u>	16,400,120.31	20,527,108.12
<u>INVESTMENTS</u>	336,845,845.46	335,023,073.14
<u>DEFERRED OUTFLOW PENSION</u>	893,556.00	1,370,934.00
<u>DEFERRED OUTFLOW OPEB</u>	418,932.00	391,397.00
<u>TOTAL ASSETS</u>	<u>\$ 354,558,453.77</u>	<u>\$ 357,312,512.26</u>

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	246,160.16	319,600.90
ACC EXP - ST COMP ABSENCES	86,938.41	79,910.08
REFUNDS PAYABLE	714,648.10	768,721.42
<u>TOTAL CURRENT LIABILITIES</u>	<u>1,047,746.67</u>	<u>1,168,232.40</u>
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	20,467.81	4,205.79
DEFERRED INFLOW PENSION	144,462.00	100,905.00
NET PENSION LIABILITY	7,351,597.00	7,632,777.00
DEFERRED INFLOW OPEB	191,677.00	244,683.00
OPEB LIABILITY	1,317,719.00	1,201,364.00
<u>TOTAL LONG TERM LIABILITIES</u>	<u>9,025,922.81</u>	<u>9,183,934.79</u>
<u>TOTAL LIABILITIES</u>	<u>10,073,669.48</u>	<u>10,352,167.19</u>
<u>CAPITAL</u>		
RETAINED EARNINGS	346,181,994.72	347,677,575.46
NET INCOME	(1,697,210.43)	(717,230.39)
<u>TOTAL CAPITAL</u>	<u>344,484,784.29</u>	<u>346,960,345.07</u>
<u>TOTAL LIABILITIES & CAPITAL</u>	<u>\$ 354,558,453.77</u>	<u>\$ 357,312,512.26</u>



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
THREE MONTHS ENDING SEPTEMBER 30, 2021 AND 2020 (FOR COMPARISON)

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	15,989,585.26	15,182,041.98
ASSESSMENT PENALTY & INTEREST	25,458.85	24,456.08
OVERNIGHT INTEREST INCOME	(317.01)	636.31
INT/DIV INCOME ON INVESTMENTS	2,991,324.36	2,959,243.09
CHANGE IN FAIR VALUE ON INVESTMENTS	(2,337,797.18)	1,145,734.56
AUDIT REIMBURSEMENT	30,458.55	78,790.27
	<hr/>	<hr/>
<u>TOTAL REVENUES</u>	<u>16,698,712.83</u>	<u>19,390,902.29</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	8,181,000.00	8,772,000.00
UEF TRANSFERS	2,057,800.00	2,250,000.00
SP FUND TRANSFERS FOR ADMIN	7,329,000.00	8,234,000.00
KOSH ADMIN. TRANSFER	148,000.00	173,700.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	0.00
INVESTMENT MANAGEMENT FEES	100,602.03	194,413.05
ASSESSMENT REFUNDS	34,631.99	0.00
PAYROLL EXPENSES	499,981.70	432,058.64
OPERATING EXPENSES	44,907.54	51,960.99
	<hr/>	<hr/>
<u>TOTAL EXPENSES</u>	<u>18,395,923.26</u>	<u>20,108,132.68</u>
<u>NET INCOME</u>	<u>\$ (1,697,210.43)</u>	<u>\$ (717,230.39)</u>