



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

August 6, 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 April 30, 2021.

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

Sincerely,

A handwritten signature in cursive script 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 Ten Months Ending April 2021

	Actual For Ten Months	Budget For Ten Months	Variance For Ten Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	654,648.17	838,600.00	-183,951.83	78.1%
FICA	48,671.23	64,137.50	-15,466.27	75.9%
RETIREMENT	552,139.18	778,050.00	-225,910.82	71.0%
HEALTH INSURANCE	81,700.98	112,175.00	-30,474.02	72.8%
LIFE INSURANCE	121.00	166.67	-45.67	72.6%
WORKERS COMPENSATION	1,255.89	2,166.67	-910.78	0.0%
UNEMPLOYMENT PAY	0.00	9,750.00	-9,750.00	0.0%
JANITORIAL	0.00	5,000.00	-5,000.00	0.0%
ELECTRICITY	5,752.82	10,916.67	-5,163.85	52.7%
NATURAL GAS	2,793.90	2,583.33	210.57	108.2%
COPY MACHINE RENTAL	3,503.64	4,166.67	-663.03	84.1%
POSTAGE	674.09	4,166.67	-3,492.58	16.2%
ADVERTISING	0.00	0.00	0.00	0.0%
PRINTING	125.00	2,500.00	-2,375.00	0.0%
GARBAGE	527.10	583.33	-56.23	90.4%
COMPUTER SOFTWARE	29,186.63	27,666.67	1,519.96	105.5%
MISC. SERVICES	2,575.72	10,750.00	-8,174.28	24.0%
OFFICE SUPPLIES	3,989.38	9,166.67	-5,177.29	43.5%
IN-STATE-TRAVEL	0.00	2,500.00	-2,500.00	0.0%
OUT-OF-STATE TRAVEL	0.00	25,833.33	-25,833.33	0.0%
COMPUTER EQUIPMENT	0.00	833.33	-833.33	0.0%
LEGAL SERVICES	0.00	20,125.00	-20,125.00	0.0%
SUBSCRIPTIONS	1,512.00	1,666.67	-154.67	90.7%
EMPLOYEE TRAINING	8,305.02	25,000.00	-16,694.98	33.2%
AUDIT SERVICES	19,250.00	19,250.00	0.00	100.0%
RENT	53,834.44	53,800.00	34.44	100.1%
SECURITY GUARD	2,581.85	0.00	2,581.85	not bugeted
MISC. EXPENSES	235.00	2,583.33	-2,348.33	9.1%
ACTUARIAL SERVICES	74,550.00	74,550.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	24,930.82	25,000.00	-69.18	99.7%
FURN. & FIX. UNDER \$5000	359.80	3,875.00	-3,515.20	9.3%
COT CHARGES	47,919.92	50,250.00	-2,330.08	95.4%
BOOKS DEPARTMENT USE	595.98	833.33	-237.35	71.5%
JANITORIAL SUPPLIES	320.78	1,666.67	-1,345.89	19.2%
E-FILE CHARGES	5,900.00	7,500.00	-1,600.00	78.7%
TOTAL EXPENSES	<u>1,627,960.34</u>	<u>2,197,812.50</u>	<u>-569,852.16</u>	<u>74.1%</u>



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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 May 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 Eleven Months Ending May 2021

	Actual For Eleven Months	Budget For Eleven Months	Variance For Eleven Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	722,645.31	918,466.67	-195,821.36	78.7%
FICA	53,725.10	70,245.83	-16,520.73	76.5%
RETIREMENT	609,549.16	852,150.00	-242,600.84	71.5%
HEALTH INSURANCE	90,039.28	122,858.33	-32,819.05	73.3%
LIFE INSURANCE	133.00	183.33	-50.33	72.5%
WORKERS COMPENSATION	1,255.89	2,383.33	-1,127.44	0.0%
UNEMPLOYMENT PAY	0.00	10,725.00	-10,725.00	0.0%
JANITORIAL	0.00	5,500.00	-5,500.00	0.0%
ELECTRICITY	6,900.86	12,008.33	-5,107.47	57.5%
NATURAL GAS	3,035.11	2,841.67	193.44	106.8%
COPY MACHINE RENTAL	3,503.64	4,583.33	-1,079.69	76.4%
POSTAGE	2,029.39	4,583.33	-2,553.94	44.3%
ADVERTISING	0.00	0.00	0.00	0.0%
PRINTING	125.00	2,750.00	-2,625.00	0.0%
GARBAGE	579.81	641.67	-61.86	90.4%
COMPUTER SOFTWARE	29,186.63	30,433.33	-1,246.70	95.9%
MISC. SERVICES	2,643.72	11,825.00	-9,181.28	22.4%
OFFICE SUPPLIES	3,989.38	10,083.33	-6,093.95	39.6%
IN-STATE-TRAVEL	0.00	2,750.00	-2,750.00	0.0%
OUT-OF-STATE TRAVEL	0.00	28,416.67	-28,416.67	0.0%
COMPUTER EQUIPMENT	0.00	916.67	-916.67	0.0%
LEGAL SERVICES	0.00	22,137.50	-22,137.50	0.0%
SUBSCRIPTIONS	1,512.00	1,833.33	-321.33	82.5%
EMPLOYEE TRAINING	8,305.02	27,500.00	-19,194.98	30.2%
AUDIT SERVICES	19,250.00	19,250.00	0.00	100.0%
RENT	53,834.44	53,800.00	34.44	100.1%
SECURITY GUARD	2,581.85	0.00	2,581.85	not bugeted
MISC. EXPENSES	235.00	2,841.67	-2,606.67	8.3%
ACTUARIAL SERVICES	74,550.00	74,550.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	24,930.82	25,000.00	-69.18	99.7%
FURN. & FIX. UNDER \$5000	359.80	4,262.50	-3,902.70	8.4%
COT CHARGES	55,047.03	55,275.00	-227.97	99.6%
BOOKS DEPARTMENT USE	901.28	916.67	-15.39	98.3%
JANITORIAL SUPPLIES	460.74	1,833.33	-1,372.59	25.1%
E-FILE CHARGES	7,635.00	8,250.00	-615.00	92.5%
TOTAL EXPENSES	<u>1,778,944.26</u>	<u>2,391,795.83</u>	<u>-612,851.57</u>	<u>74.4%</u>



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August 6, 2021

Senator Christian McDaniel, Co-Chair
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Interim Committee on Appropriations and Revenue
Capitol Annex
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 June 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 Twelve Months Ending June 2021

	Actual For Twelve Months	Budget For Twelve Months	Variance For Twelve Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	835,533.65	958,400.00	-122,866.35	87.2%
FICA	57,645.55	73,300.00	-15,654.45	78.6%
RETIREMENT	651,110.93	889,200.00	-238,089.07	73.2%
HEALTH INSURANCE	90,039.28	128,200.00	-38,160.72	70.2%
LIFE INSURANCE	133.00	200.00	-67.00	66.5%
WORKERS COMPENSATION	970.31	2,600.00	-1,629.69	0.0%
UNEMPLOYMENT PAY	6,720.00	11,700.00	-4,980.00	0.0%
JANITORIAL	0.00	6,000.00	-6,000.00	0.0%
ELECTRICITY	7,373.79	13,100.00	-5,726.21	56.3%
NATURAL GAS	3,214.08	3,100.00	114.08	103.7%
COPY MACHINE RENTAL	3,849.64	5,000.00	-1,150.36	77.0%
POSTAGE	2,434.20	5,000.00	-2,565.80	48.7%
ADVERTISING	0.00	0.00	0.00	0.0%
PRINTING	125.00	3,000.00	-2,875.00	0.0%
GARBAGE	632.52	700.00	-67.48	90.4%
COMPUTER SOFTWARE	29,227.49	33,200.00	-3,972.51	88.0%
MISC. SERVICES	2,780.49	12,900.00	-10,119.51	21.6%
OFFICE SUPPLIES	4,445.36	11,000.00	-6,554.64	40.4%
IN-STATE-TRAVEL	0.00	3,000.00	-3,000.00	0.0%
OUT-OF-STATE TRAVEL	0.00	31,000.00	-31,000.00	0.0%
COMPUTER EQUIPMENT	0.00	1,000.00	-1,000.00	0.0%
LEGAL SERVICES	0.00	24,150.00	-24,150.00	0.0%
SUBSCRIPTIONS	1,512.00	2,000.00	-488.00	75.6%
EMPLOYEE TRAINING	9,541.17	30,000.00	-20,458.83	31.8%
AUDIT SERVICES	19,250.00	19,250.00	0.00	100.0%
RENT	53,834.44	53,800.00	34.44	100.1%
SECURITY GUARD	1,256.99	0.00	1,256.99	not bugeted
MISC. EXPENSES	357.97	3,100.00	-2,742.03	11.5%
ACTUARIAL SERVICES	74,550.00	74,550.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	24,930.82	25,000.00	-69.18	99.7%
FURN. & FIX. UNDER \$5000	359.80	4,650.00	-4,290.20	7.7%
COT CHARGES	60,831.55	60,300.00	531.55	100.9%
BOOKS DEPARTMENT USE	901.28	1,000.00	-98.72	90.1%
JANITORIAL SUPPLIES	528.98	2,000.00	-1,471.02	26.4%
E-FILE CHARGES	7,935.00	9,000.00	-1,065.00	88.2%
TOTAL EXPENSES	<u>1,952,025.29</u>	<u>2,500,400.00</u>	<u>-548,374.71</u>	<u>78.1%</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Twelve Months Ending June 30, 2021
Fiscal Year 2021

AGENCY	Q1 July - Sept 20			Q2 Oct - Dec 20			Q3 Jan - March 21			Q4 April - June 21			FYTD 2021		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Labor Administration	\$8,234,000	\$7,970,650	\$263,350	\$8,540,000	\$7,970,650	\$569,350	\$5,003,600	\$7,970,650	-\$2,967,050	\$6,062,200	\$7,970,650	-\$1,908,450	\$27,839,800	\$31,882,600	-\$4,042,800
Labor Claims	\$8,772,000	\$12,820,225	-\$4,048,225	\$8,824,900	\$12,820,225	-\$3,995,325	\$7,630,000	\$12,820,225	-\$5,190,225	\$10,909,000	\$12,820,225	-\$1,911,225	\$36,135,900	\$51,280,900	-\$15,145,000
UEF	\$2,250,000	\$2,250,000	\$0	\$1,745,100	\$1,745,100	\$0	\$0	\$1,724,400	-\$1,724,400	\$0	\$1,724,300	-\$1,724,300	\$3,995,100	\$7,443,800	-\$3,448,700
KOSH	\$173,700	\$165,825	\$7,875	\$219,100	\$165,825	\$53,275	\$124,000	\$165,825	-\$41,825	\$154,000	\$165,825	-\$11,825	\$670,800	\$663,300	\$7,500
CWP Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CWP Claims (To KEM)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funding Commission	\$50,000	\$576,425	-\$526,425	\$487,000	\$576,425	-\$89,425	\$167,000	\$576,425	-\$409,425	\$100,000	\$576,425	-\$476,425	\$804,000	\$2,305,700	-\$1,501,700
Total	\$19,479,700	\$23,783,125	-\$4,303,425	\$19,816,100	\$23,278,225	-\$3,462,125	\$12,924,600	\$23,257,525	-\$10,332,925	\$17,225,200	\$23,257,425	-\$6,032,225	\$69,445,600	\$93,576,300	-\$24,130,700



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

ASSETS

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	2,404,258.82	9,257,208.52
ACCOUNTS RECEIVABLE	214,231.30	290,817.14
ASSESSMENT RECEIVABLE	15,125,658.19	15,848,577.86
RWAO KWCFC ADMN CASH ACCOUNT	683,111.93	441,158.43
	18,427,260.24	25,837,761.95
<u>INVESTMENTS</u>		
	336,232,216.55	331,116,428.14
<u>DEFERRED OUTFLOW PENSION</u>		
	1,370,934.00	944,295.00
<u>DEFERRED OUTFLOW OPEB</u>		
	391,397.00	226,427.00
	\$ 356,421,807.79	\$ 358,124,912.09

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	319,600.90	145,067.49
ACC EXP - ST COMP ABSENCES	79,910.08	80,936.05
REFUNDS PAYABLE	768,721.42	201,552.60
	1,168,232.40	427,556.14
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	4,205.79	41,253.14
DEFERRED INFLOW PENSION	100,905.00	354,249.00
NET PENSION LIABILITY	7,632,777.00	6,457,848.00
DEFERRED INFLOW OPEB	244,683.00	143,360.00
OPEB LIABILITY	1,201,364.00	1,124,547.00
	9,183,934.79	8,121,257.14
	10,352,167.19	8,548,813.28
<u>CAPITAL</u>		
RETAINED EARNINGS	347,677,575.46	331,460,987.96
NET INCOME	(1,607,934.86)	18,115,110.85
	346,069,640.60	349,576,098.81
	\$ 356,421,807.79	\$ 358,124,912.09



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

<u>REVENUES</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
ASSESSMENT RECEIPTS	62,000,030.22	68,080,486.11
ASSESSMENT PENALTY & INTEREST	2,497,659.84	297,941.06
OVERNIGHT INTEREST INCOME	(144.06)	108,300.38
INT/DIV INCOME ON INVESTMENTS	11,810,168.96	11,819,934.71
CHANGE IN FAIR VALUE ON INVESTMENTS	(6,180,992.26)	16,382,686.08
AUDIT REIMBURSEMENT	714,207.56	498,788.41
<u>TOTAL REVENUES</u>	<u>70,840,930.26</u>	<u>97,188,136.75</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	36,135,900.00	41,103,000.00
UEF TRANSFERS	3,995,100.00	5,719,500.00
SP FUND TRANSFERS FOR ADMIN	27,839,800.00	29,341,000.00
KOSH ADMIN. TRANSFER	670,800.00	662,700.00
CUSTODY FEE EXPENSE-STATE STREET	13,458.71	8,572.63
INVESTMENT MANAGEMENT FEES	496,009.98	286,191.28
ASSESSMENT REFUNDS	1,345,771.14	53,527.65
PAYROLL EXPENSES	1,642,152.72	1,561,905.83
OPERATING EXPENSES	309,872.57	336,628.51
<u>TOTAL EXPENSES</u>	<u>72,448,865.12</u>	<u>79,073,025.90</u>
<u>NET INCOME</u>	<u>\$ (1,607,934.86)</u>	<u>\$ 18,115,110.85</u>