



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

November 21, 2022

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, 2022.

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 One Month Ended July 31, 2022

	Actual For One Month	Budget For One Month	Variance For One Month	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	74,728.45	85,541.67	-10,813.22	87.4%
FICA	5,546.55	6,508.33	-961.78	85.2%
RETIREMENT	60,433.03	66,783.33	-6,350.30	90.5%
HEALTH INSURANCE	8,816.82	9,166.67	-349.85	96.2%
LIFE INSURANCE	12.00	16.67	-4.67	72.0%
WORKERS COMPENSATION	0.00	158.33	-158.33	0.0%
INDIRECT COSTS	0.00	21,516.67	-21,516.67	N/A
UNEMPLOYMENT PAY	0.00	100.00	-100.00	0.0%
ELECTRICITY	701.04	750.00	-48.96	93.5%
NATURAL GAS	104.24	641.67	-537.43	16.2%
COPY MACHINE RENTAL	0.00	333.33	-333.33	0.0%
POSTAGE	22.28	333.33	-311.05	6.7%
ADVERTISING	0.00	41.67	-41.67	0.0%
PRINTING	0.00	41.67	-41.67	0.0%
GARBAGE	78.66	116.67	-38.01	67.4%
COMPUTER SOFTWARE	2,872.67	2,500.00	372.67	114.9%
MISC. SERVICES	93.36	1,825.00	-1,731.64	5.1%
OFFICE SUPPLIES	405.55	250.00	155.55	162.2%
IN-STATE-TRAVEL	0.00	250.00	-250.00	0.0%
OUT-OF-STATE TRAVEL	0.00	583.33	-583.33	0.0%
COMPUTER EQUIPMENT	0.00	166.67	-166.67	0.0%
LEGAL SERVICES	0.00	125.00	-125.00	0.0%
SUBSCRIPTIONS	0.00	208.33	-208.33	0.0%
EMPLOYEE TRAINING	620.00	666.67	-46.67	93.0%
AUDIT SERVICES	0.00	1,916.67	-1,916.67	0.0%
RENT	10,722.63	10,725.00	-2.37	100.0%
SECURITY GUARD	0.00	91.67	-91.67	0.0%
MISC. EXPENSES	0.00	166.67	-166.67	0.0%
ACTUARIAL SERVICES	0.00	6,083.33	-6,083.33	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	2,416.67	-2,416.67	0.0%
FURN. & FIX. UNDER \$5000	0.00	166.67	-166.67	0.0%
COT CHARGES	380.30	5,416.67	-5,036.37	7.0%
BOOKS DEPARTMENT USE	0.00	8.33	-8.33	0.0%
JANITORIAL	0.00	500.00	-500.00	0.0%
E-FILE CHARGES	298.50	750.00	-451.50	39.8%
TOTAL EXPENSES	165,836.08	226,866.67	-61,030.59	73.1%



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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, 2022.

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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, 2022

	Actual For Two Months	Budget For Two Months	Variance For Two Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	152,331.13	171,083.33	-18,752.20	89.0%
FICA	11,313.02	13,016.67	-1,703.65	86.9%
RETIREMENT	120,963.13	133,566.67	-12,603.54	90.6%
HEALTH INSURANCE	17,633.64	18,333.33	-699.69	96.2%
LIFE INSURANCE	24.00	33.33	-9.33	72.0%
WORKERS COMPENSATION	0.00	316.67	-316.67	0.0%
INDIRECT COSTS	0.00	43,033.33	-43,033.33	N/A
UNEMPLOYMENT PAY	0.00	200.00	-200.00	0.0%
ELECTRICITY	1,443.58	1,500.00	-56.42	96.2%
NATURAL GAS	207.20	1,283.33	-1,076.13	16.1%
COPY MACHINE RENTAL	0.00	666.67	-666.67	0.0%
POSTAGE	707.05	1,300.00	-592.95	54.4%
ADVERTISING	0.00	83.33	-83.33	0.0%
PRINTING	0.00	83.33	-83.33	0.0%
GARBAGE	139.32	116.67	22.65	119.4%
COMPUTER SOFTWARE	2,872.67	2,916.67	-44.00	98.5%
MISC. SERVICES	983.04	3,016.67	-2,033.63	32.6%
OFFICE SUPPLIES	405.55	500.00	-94.45	81.1%
IN-STATE-TRAVEL	0.00	500.00	-500.00	0.0%
OUT-OF-STATE TRAVEL	0.00	1,166.67	-1,166.67	0.0%
COMPUTER EQUIPMENT	0.00	333.33	-333.33	0.0%
LEGAL SERVICES	0.00	250.00	-250.00	0.0%
SUBSCRIPTIONS	2,197.75	416.67	1,781.08	527.5%
EMPLOYEE TRAINING	1,195.00	1,333.33	-138.33	89.6%
AUDIT SERVICES	0.00	3,833.33	-3,833.33	0.0%
RENT	10,722.63	10,725.00	-2.37	100.0%
SECURITY GUARD	0.00	183.33	-183.33	0.0%
MISC. EXPENSES	22.99	333.33	-310.34	6.9%
ACTUARIAL SERVICES	0.00	12,166.67	-12,166.67	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	4,833.33	-4,833.33	0.0%
FURN. & FIX. UNDER \$5000	0.00	333.33	-333.33	0.0%
COT CHARGES	6,311.88	10,833.33	-4,521.45	58.3%
BOOKS DEPARTMENT USE	16.10	16.67	-0.57	96.6%
JANITORIAL	0.00	1,000.00	-1,000.00	0.0%
E-FILE CHARGES	1,983.50	1,500.00	483.50	132.2%
TOTAL EXPENSES	<u>331,473.18</u>	<u>440,808.33</u>	<u>-109,335.15</u>	<u>75.2%</u>



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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 September 30, 2022. 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, 2022

	Actual For Three Months	Budget For Three Months	Variance For Three Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	228,416.77	256,625.00	-28,208.23	89.0%
FICA	16,965.63	19,525.00	-2,559.37	86.9%
RETIREMENT	177,208.59	200,350.00	-23,141.41	88.4%
HEALTH INSURANCE	25,747.06	27,500.00	-1,752.94	93.6%
LIFE INSURANCE	35.00	50.00	-15.00	70.0%
WORKERS COMPENSATION	0.00	475.00	-475.00	0.0%
INDIRECT COSTS	26,992.26	64,550.00	-37,557.74	41.8%
UNEMPLOYMENT PAY	0.00	300.00	-300.00	0.0%
ELECTRICITY	2,258.09	2,250.00	8.09	100.4%
NATURAL GAS	313.59	1,925.00	-1,611.41	16.3%
COPY MACHINE RENTAL	0.00	1,000.00	-1,000.00	0.0%
POSTAGE	771.75	1,950.00	-1,178.25	39.6%
ADVERTISING	0.00	125.00	-125.00	0.0%
PRINTING	0.00	125.00	-125.00	0.0%
GARBAGE	178.65	175.00	3.65	102.1%
COMPUTER SOFTWARE	2,872.67	2,916.67	-44.00	98.5%
MISC. SERVICES	1,347.72	4,525.00	-3,177.28	29.8%
OFFICE SUPPLIES	844.21	750.00	94.21	112.6%
IN-STATE-TRAVEL	0.00	750.00	-750.00	0.0%
OUT-OF-STATE TRAVEL	0.00	1,750.00	-1,750.00	0.0%
COMPUTER EQUIPMENT	0.00	500.00	-500.00	0.0%
LEGAL SERVICES	0.00	375.00	-375.00	0.0%
SUBSCRIPTIONS	2,197.75	2,291.67	-93.92	95.9%
EMPLOYEE TRAINING	2,015.25	2,000.00	15.25	100.8%
AUDIT SERVICES	0.00	5,750.00	-5,750.00	0.0%
RENT	21,445.26	21,450.00	-4.74	100.0%
SECURITY GUARD	0.00	275.00	-275.00	0.0%
MISC. EXPENSES	45.98	500.00	-454.02	9.2%
ACTUARIAL SERVICES	0.00	18,250.00	-18,250.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	7,250.00	-7,250.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	500.00	-500.00	0.0%
COT CHARGES	10,532.74	16,250.00	-5,717.26	64.8%
BOOKS DEPARTMENT USE	16.10	25.00	-8.90	64.4%
JANITORIAL	598.93	1,500.00	-901.07	39.9%
E-FILE CHARGES	2,038.50	2,250.00	-211.50	90.6%
TOTAL EXPENSES	522,842.50	666,783.33	-143,940.83	78.4%



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Three Months Ended September 30, 2022
Fiscal Year 2023

AGENCY	Q1 July - Sept 22			Q2 Oct - Dec 22			Q3 Jan - March 23			Q4 April - June 23			FYTD 2023		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Labor Administration	\$7,365,000	\$9,696,050	-\$2,331,050	\$0	\$9,696,050	-\$9,696,050	\$0	\$9,696,050	-\$9,696,050	\$0	\$9,696,050	-\$9,696,050	\$7,365,000	\$38,784,200	-\$31,419,200
Labor Claims	\$9,025,000	\$10,145,775	-\$1,120,775	\$0	\$10,145,775	-\$10,145,775	\$0	\$10,145,775	-\$10,145,775	\$0	\$10,145,775	-\$10,145,775	\$9,025,000	\$40,583,100	-\$31,558,100
UEF	\$1,300,000	\$1,780,325	-\$480,325	\$0	\$1,780,325	-\$1,780,325	\$0	\$1,780,325	-\$1,780,325	\$0	\$1,780,325	-\$1,780,325	\$1,300,000	\$7,121,300	-\$5,821,300
KOSH	\$200,000	\$192,850	\$7,150	\$0	\$192,850	-\$192,850	\$0	\$192,850	-\$192,850	\$0	\$192,850	-\$192,850	\$200,000	\$771,400	-\$571,400
Funding Commission	\$515,000	\$594,700	-\$79,700	\$0	\$594,700	-\$594,700	\$0	\$594,700	-\$594,700	\$0	\$594,700	-\$594,700	\$515,000	\$2,378,800	-\$1,863,800
Total	\$18,405,000	\$22,409,700	-\$4,004,700	\$0	\$22,409,700	-\$22,409,700	\$0	\$22,409,700	-\$22,409,700	\$0	\$22,409,700	-\$22,409,700	\$18,405,000	\$89,638,800	-\$71,233,800



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
THREE MONTHS ENDING SEPTEMBER 30, 2022 AND 2021 (FOR COMPARISON)

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	18,522,071.15	15,989,585.26
ASSESSMENT PENALTY & INTEREST	7,770.40	25,458.85
OVERNIGHT INTEREST INCOME	3,671.80	(317.01)
INT/DIV INCOME ON INVESTMENTS	3,129,099.62	2,991,324.36
CHANGE IN FAIR VALUE ON INVESTMENTS	(16,380,278.54)	(2,337,797.18)
AUDIT REIMBURSEMENT	18,282.66	30,458.55
<u>TOTAL REVENUES</u>	<u>5,300,617.09</u>	<u>16,698,712.83</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	9,025,000.00	8,181,000.00
UEF TRANSFERS	1,300,000.00	2,057,800.00
SP FUND TRANSFERS FOR ADMIN	7,365,000.00	7,329,000.00
KOSH ADMIN. TRANSFER	200,000.00	148,000.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	0.00
INVESTMENT MANAGEMENT FEES	48,466.92	100,602.03
ASSESSMENT REFUNDS	7,227.48	34,631.99
PAYROLL EXPENSES	448,373.05	499,981.70
OPERATING EXPENSES	74,469.45	44,907.54
<u>TOTAL EXPENSES</u>	<u>18,468,536.90</u>	<u>18,395,923.26</u>
<u>NET INCOME</u>	<u>\$ (13,167,919.81)</u>	<u>\$ (1,697,210.43)</u>



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BALANCE SHEET
AS OF SEPTEMBER 30, 2022 AND 2021 (FOR COMPARISON)

ASSETS

	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	70,779.98	668,587.89
ACCOUNTS RECEIVABLE	94,414.52	189,565.50
ASSESSMENT RECEIVABLE	17,845,978.16	15,434,023.40
RWAO KWFC ADMN CASH ACCOUNT	20,461.85	107,943.52
	18,031,634.51	16,400,120.31
<u>INVESTMENTS</u>		
	282,785,493.62	336,845,845.46
<u>LEASE RIGHT-OF-USE</u>		
	153,717.00	-
<u>DEFERRED OUTFLOW PENSION</u>		
	1,125,317.00	893,556.00
<u>DEFERRED OUTFLOW OPEB</u>		
	396,167.00	418,932.00
	\$ 302,492,329.13	\$ 354,558,453.77

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	121,626.60	246,160.16
ACC EXP - ST COMP ABSENCES	80,018.41	86,938.41
REFUNDS PAYABLE	22,015.22	714,648.10
	223,660.23	1,047,746.67
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	61,629.81	20,467.81
LEASE LIABILITY	155,412.00	-
DEFERRED INFLOW PENSION	235,614.00	144,462.00
NET PENSION LIABILITY	7,788,178.00	7,351,597.00
DEFERRED INFLOW OPEB	291,662.00	191,677.00
OPEB LIABILITY	1,325,725.00	1,317,719.00
	9,858,220.81	9,025,922.81
	10,081,881.04	10,073,669.48
<u>CAPITAL</u>		
RETAINED EARNINGS	305,578,367.90	346,181,994.72
NET INCOME	(13,167,919.81)	(1,697,210.43)
	292,410,448.09	344,484,784.29
	\$ 302,492,329.13	\$ 354,558,453.77