



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

January 27, 2023

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 October 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 Four Months Ended October 31, 2022

	Actual For Four Months	Budget For Four Months	Variance For Four Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	300,026.95	342,166.67	-42,139.72	87.7%
FICA	22,275.87	26,033.33	-3,757.46	85.6%
RETIREMENT	233,064.53	267,133.33	-34,068.80	87.2%
HEALTH INSURANCE	33,860.48	36,666.67	-2,806.19	92.3%
LIFE INSURANCE	46.00	66.67	-20.67	69.0%
WORKERS COMPENSATION	0.00	633.33	-633.33	0.0%
INDIRECT COSTS	42,550.60	86,066.67	-43,516.07	49.4%
UNEMPLOYMENT PAY	0.00	400.00	-400.00	0.0%
ELECTRICITY	2,879.30	3,000.00	-120.70	96.0%
NATURAL GAS	565.17	2,566.67	-2,001.50	22.0%
COPY MACHINE RENTAL	0.00	1,333.33	-1,333.33	0.0%
POSTAGE	1,417.43	2,600.00	-1,182.57	54.5%
ADVERTISING	0.00	166.67	-166.67	0.0%
PRINTING	0.00	166.67	-166.67	0.0%
GARBAGE	257.31	266.67	-9.36	96.5%
COMPUTER SOFTWARE	3,292.37	3,333.33	-40.96	98.8%
MISC. SERVICES	1,980.93	5,700.00	-3,719.07	34.8%
OFFICE SUPPLIES	926.58	1,000.00	-73.42	92.7%
IN-STATE-TRAVEL	0.00	1,000.00	-1,000.00	0.0%
OUT-OF-STATE TRAVEL	0.00	2,333.33	-2,333.33	0.0%
COMPUTER EQUIPMENT	0.00	666.67	-666.67	0.0%
LEGAL SERVICES	0.00	500.00	-500.00	0.0%
SUBSCRIPTIONS	2,197.75	2,291.67	-93.92	95.9%
EMPLOYEE TRAINING	2,516.50	2,666.67	-150.17	94.4%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	21,445.26	21,450.00	-4.74	100.0%
SECURITY GUARD	0.00	366.67	-366.67	0.0%
MISC. EXPENSES	962.61	1,000.00	-37.39	96.3%
ACTUARIAL SERVICES	0.00	24,333.33	-24,333.33	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	9,666.67	-9,666.67	0.0%
FURN. & FIX. UNDER \$5000	0.00	666.67	-666.67	0.0%
COT CHARGES	15,349.29	21,666.67	-6,317.38	70.8%
BOOKS DEPARTMENT USE	16.10	33.33	-17.23	48.3%
JANITORIAL	1,007.26	1,966.67	-959.41	51.2%
E-FILE CHARGES	2,133.50	3,000.00	-866.50	71.1%
TOTAL EXPENSES	711,241.79	895,908.33	-184,666.54	79.4%



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Dear Committee Members:

Attached is our agency expenditure report submitted pursuant to KRS 342.1223(2)(h) for fiscal year-to-date November 30, 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 Five Months Ended November 30, 2022

	Actual For Five Months	Budget For Five Months	Variance For Five Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	371,637.13	427,708.33	-56,071.20	86.9%
FICA	27,586.05	32,541.67	-4,955.62	84.8%
RETIREMENT	288,920.47	333,916.67	-44,996.20	86.5%
HEALTH INSURANCE	41,973.90	45,833.33	-3,859.43	91.6%
LIFE INSURANCE	57.00	83.33	-26.33	68.4%
WORKERS COMPENSATION	0.00	791.67	-791.67	0.0%
INDIRECT COSTS	61,225.55	107,583.33	-46,357.78	56.9%
UNEMPLOYMENT PAY	0.00	500.00	-500.00	0.0%
ELECTRICITY	3,547.48	3,750.00	-202.52	94.6%
NATURAL GAS	1,045.28	3,208.33	-2,163.05	32.6%
COPY MACHINE RENTAL	321.14	1,666.67	-1,345.53	19.3%
POSTAGE	1,422.79	3,250.00	-1,827.21	43.8%
ADVERTISING	0.00	208.33	-208.33	0.0%
PRINTING	0.00	208.33	-208.33	0.0%
GARBAGE	196.65	333.33	-136.68	59.0%
COMPUTER SOFTWARE	3,292.37	4,166.67	-874.30	79.0%
MISC. SERVICES	1,994.61	7,125.00	-5,130.39	28.0%
OFFICE SUPPLIES	1,050.69	1,250.00	-199.31	84.1%
IN-STATE-TRAVEL	0.00	1,250.00	-1,250.00	0.0%
OUT-OF-STATE TRAVEL	1,252.73	2,916.67	-1,663.94	43.0%
COMPUTER EQUIPMENT	0.00	833.33	-833.33	0.0%
LEGAL SERVICES	0.00	625.00	-625.00	0.0%
SUBSCRIPTIONS	2,197.75	2,291.67	-93.92	95.9%
EMPLOYEE TRAINING	2,516.50	3,333.33	-816.83	75.5%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	21,445.26	21,450.00	-4.74	100.0%
SECURITY GUARD	0.00	458.33	-458.33	0.0%
MISC. EXPENSES	962.61	1,250.00	-287.39	77.0%
ACTUARIAL SERVICES	70,000.00	73,000.00	-3,000.00	95.9%
PUBLIC OFFICIALS INSURANCE	0.00	12,083.33	-12,083.33	0.0%
FURN. & FIX. UNDER \$5000	0.00	833.33	-833.33	0.0%
COT CHARGES	21,836.48	27,083.33	-5,246.85	80.6%
BOOKS DEPARTMENT USE	16.10	41.67	-25.57	38.6%
JANITORIAL	1,415.59	2,458.33	-1,042.74	57.6%
E-FILE CHARGES	3,843.50	3,750.00	93.50	102.5%
TOTAL EXPENSES	<u>952,227.63</u>	<u>1,150,783.33</u>	<u>-198,555.70</u>	<u>82.7%</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 December 31, 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 Six Months Ended December 31, 2022

	Actual For Six Months	Budget For Six Months	Variance For Six Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	443,486.85	513,250.00	-69,763.15	86.4%
FICA	32,914.62	39,050.00	-6,135.38	84.3%
RETIREMENT	344,963.25	400,700.00	-55,736.75	86.1%
HEALTH INSURANCE	50,087.32	55,000.00	-4,912.68	91.1%
LIFE INSURANCE	68.00	100.00	-32.00	68.0%
WORKERS COMPENSATION	0.00	950.00	-950.00	0.0%
INDIRECT COSTS	76,011.17	129,100.00	-53,088.83	58.9%
UNEMPLOYMENT PAY	0.00	600.00	-600.00	0.0%
ELECTRICITY	4,055.85	4,500.00	-444.15	90.1%
NATURAL GAS	1,045.28	3,850.00	-2,804.72	27.2%
COPY MACHINE RENTAL	774.34	2,000.00	-1,225.66	38.7%
POSTAGE	1,461.25	3,900.00	-2,438.75	37.5%
ADVERTISING	0.00	250.00	-250.00	0.0%
PRINTING	0.00	250.00	-250.00	0.0%
GARBAGE	235.98	400.00	-164.02	59.0%
COMPUTER SOFTWARE	3,292.37	5,000.00	-1,707.63	65.8%
MISC. SERVICES	2,302.29	8,550.00	-6,247.71	26.9%
OFFICE SUPPLIES	1,133.12	1,500.00	-366.88	75.5%
IN-STATE-TRAVEL	0.00	1,500.00	-1,500.00	0.0%
OUT-OF-STATE TRAVEL	1,252.73	3,500.00	-2,247.27	35.8%
COMPUTER EQUIPMENT	0.00	1,000.00	-1,000.00	0.0%
LEGAL SERVICES	0.00	750.00	-750.00	0.0%
SUBSCRIPTIONS	2,197.75	2,500.00	-302.25	87.9%
EMPLOYEE TRAINING	2,834.27	4,000.00	-1,165.73	70.9%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	21,445.26	21,450.00	-4.74	100.0%
SECURITY GUARD	0.00	550.00	-550.00	0.0%
MISC. EXPENSES	1,370.23	1,500.00	-129.77	91.3%
ACTUARIAL SERVICES	70,000.00	73,000.00	-3,000.00	95.9%
PUBLIC OFFICIALS INSURANCE	0.00	14,500.00	-14,500.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	1,000.00	-1,000.00	0.0%
COT CHARGES	26,632.89	32,500.00	-5,867.11	81.9%
BOOKS DEPARTMENT USE	16.10	50.00	-33.90	32.2%
JANITORIAL	1,823.92	2,950.00	-1,126.08	61.8%
E-FILE CHARGES	3,918.50	4,500.00	-581.50	87.1%
TOTAL EXPENSES	<u>1,115,793.34</u>	<u>1,357,200.00</u>	<u>-241,406.66</u>	<u>82.2%</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Six Months Ended December 31, 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	\$7,305,000	\$9,696,050	-\$2,391,050	\$0	\$9,696,050	-\$9,696,050	\$0	\$9,696,050	-\$9,696,050	\$14,670,000	\$38,784,200	-\$24,114,200
Labor Claims	\$9,025,000	\$10,145,775	-\$1,120,775	\$7,520,000	\$10,145,775	-\$2,625,775	\$0	\$10,145,775	-\$10,145,775	\$0	\$10,145,775	-\$10,145,775	\$16,545,000	\$40,563,100	-\$24,038,100
UEF	\$1,300,000	\$1,780,325	-\$480,325	\$1,500,000	\$1,780,325	-\$280,325	\$0	\$1,780,325	-\$1,780,325	\$0	\$1,780,325	-\$1,780,325	\$2,800,000	\$7,121,300	-\$4,321,300
KOSH	\$200,000	\$192,850	\$7,150	\$194,400	\$192,850	\$1,550	\$0	\$192,850	-\$192,850	\$0	\$192,850	-\$192,850	\$394,400	\$771,400	-\$377,000
Funding Commission	\$515,000	\$594,700	-\$79,700	\$649,000	\$594,700	\$54,300	\$0	\$594,700	-\$594,700	\$0	\$594,700	-\$594,700	\$1,164,000	\$2,378,800	-\$1,214,800
Total	\$18,405,000	\$22,409,700	-\$4,004,700	\$17,168,400	\$22,409,700	-\$5,241,300	\$0	\$22,409,700	-\$22,409,700	\$0	\$22,409,700	-\$22,409,700	\$35,573,400	\$89,638,800	-\$54,065,400



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BALANCE SHEET
AS OF DECEMBER 31, 2022 AND 2021 (FOR COMPARISON)

ASSETS

	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	29,168.10	647,909.74
ACCOUNTS RECEIVABLE	94,414.52	189,584.58
ASSESSMENT RECEIVABLE	17,845,978.16	15,434,023.40
RWAO KWFCF ADMN CASH ACCOUNT	79,252.93	45,286.04
<u>TOTAL CURRENT ASSETS</u>	18,048,813.71	16,316,803.76
<u>INVESTMENTS</u>	287,592,150.40	335,998,711.19
<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
<u>TOTAL ASSETS</u>	\$ 307,316,165.11	\$ 353,628,002.95

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
<u>TOTAL CURRENT LIABILITIES</u>	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
<u>TOTAL LONG TERM LIABILITIES</u>	9,858,220.81	9,025,922.81
<u>TOTAL LIABILITIES</u>	10,081,881.04	10,073,669.48
<u>CAPITAL</u>		
RETAINED EARNINGS	305,578,367.90	346,181,994.72
NET INCOME	(8,344,083.83)	(2,627,661.25)
<u>TOTAL CAPITAL</u>	297,234,284.07	343,554,333.47
<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 307,316,165.11	\$ 353,628,002.95



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
SIX MONTHS ENDING DECEMBER 31, 2022 AND 2021 (FOR COMPARISON)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	35,769,456.81	33,594,199.46
ASSESSMENT PENALTY & INTEREST	11,049.56	92,897.12
OVERNIGHT INTEREST INCOME	7,040.53	(455.26)
INT/DIV INCOME ON INVESTMENTS	6,323,750.43	5,988,597.81
CHANGE IN FAIR VALUE ON INVESTMENTS	(14,667,040.27)	(6,062,099.01)
AUDIT REIMBURSEMENT	20,385.05	85,740.14
<u>TOTAL REVENUES</u>	<u>27,464,642.11</u>	<u>33,698,880.26</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	16,545,000.00	17,260,900.00
UEF TRANSFERS	2,800,000.00	2,857,800.00
SP FUND TRANSFERS FOR ADMIN	14,670,000.00	14,602,700.00
KOSH ADMIN. TRANSFER	394,400.00	297,000.00
CUSTODY FEE EXPENSE-STATE STREET	18,234.43	19,013.99
INVESTMENT MANAGEMENT FEES	131,464.79	201,693.93
ASSESSMENT REFUNDS	133,833.38	34,631.99
PAYROLL EXPENSES	871,520.04	924,855.40
OPERATING EXPENSES	244,273.30	127,946.20
<u>TOTAL EXPENSES</u>	<u>35,808,725.94</u>	<u>36,326,541.51</u>
<u>NET INCOME</u>	<u>\$ (8,344,083.83)</u>	<u>\$ (2,627,661.25)</u>