



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

May 17, 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 January 31, 2023.

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 Seven Months Ended January 31, 2023

	Actual For Seven Months	Budget For Seven Months	Variance For Seven Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	515,336.57	598,791.67	-83,455.10	86.1%
FICA	38,231.60	45,558.33	-7,326.73	83.9%
RETIREMENT	401,006.03	467,483.33	-66,477.30	85.8%
HEALTH INSURANCE	59,188.08	64,166.67	-4,978.59	92.2%
LIFE INSURANCE	79.00	116.67	-37.67	67.7%
WORKERS COMPENSATION	0.00	1,108.33	-1,108.33	0.0%
INDIRECT COSTS	90,028.02	150,616.67	-60,588.65	59.8%
UNEMPLOYMENT PAY	0.00	700.00	-700.00	0.0%
ELECTRICITY	4,652.15	5,250.00	-597.85	88.6%
NATURAL GAS	2,470.96	4,491.67	-2,020.71	55.0%
COPY MACHINE RENTAL	1,094.91	2,333.33	-1,238.42	46.9%
POSTAGE	2,090.27	4,550.00	-2,459.73	45.9%
ADVERTISING	0.00	291.67	-291.67	0.0%
PRINTING	0.00	291.67	-291.67	0.0%
GARBAGE	314.64	466.67	-152.03	67.4%
COMPUTER SOFTWARE	11,469.42	11,875.00	-405.58	96.6%
MISC. SERVICES	2,320.97	8,808.33	-6,487.36	26.3%
OFFICE SUPPLIES	1,169.19	1,750.00	-580.81	66.8%
IN-STATE-TRAVEL	0.00	1,750.00	-1,750.00	0.0%
OUT-OF-STATE TRAVEL	1,252.73	4,083.33	-2,830.60	30.7%
COMPUTER EQUIPMENT	0.00	1,166.67	-1,166.67	0.0%
LEGAL SERVICES	0.00	875.00	-875.00	0.0%
SUBSCRIPTIONS	2,197.75	2,500.00	-302.25	87.9%
EMPLOYEE TRAINING	3,409.27	4,666.67	-1,257.40	73.1%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	32,167.89	32,175.00	-7.11	100.0%
SECURITY GUARD	0.00	641.67	-641.67	0.0%
MISC. EXPENSES	1,378.72	1,750.00	-371.28	78.8%
ACTUARIAL SERVICES	70,000.00	70,000.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	27,394.38	29,000.00	-1,605.62	94.5%
FURN. & FIX. UNDER \$5000	0.00	1,166.67	-1,166.67	0.0%
COT CHARGES	31,458.60	37,916.67	-6,458.07	83.0%
BOOKS DEPARTMENT USE	16.10	58.33	-42.23	27.6%
JANITORIAL	2,232.25	3,441.67	-1,209.42	64.9%
E-FILE CHARGES	3,918.50	5,250.00	-1,331.50	74.6%
TOTAL EXPENSES	<u>1,327,348.00</u>	<u>1,588,091.67</u>	<u>-260,743.67</u>	<u>83.6%</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 February 28, 2023.

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 Eight Months Ended February 28, 2023

	Actual For Eight Months	Budget For Eight Months	Variance For Eight Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	587,186.29	684,333.33	-97,147.04	85.8%
FICA	43,548.65	52,066.67	-8,518.02	83.6%
RETIREMENT	457,048.81	534,266.67	-77,217.86	85.5%
HEALTH INSURANCE	68,288.84	73,333.33	-5,044.49	93.1%
LIFE INSURANCE	90.00	133.33	-43.33	67.5%
WORKERS COMPENSATION	0.00	1,266.67	-1,266.67	0.0%
INDIRECT COSTS	105,540.88	172,133.33	-66,592.45	61.3%
UNEMPLOYMENT PAY	0.00	800.00	-800.00	0.0%
ELECTRICITY	5,173.85	6,000.00	-826.15	86.2%
NATURAL GAS	2,470.96	5,133.33	-2,662.37	48.1%
COPY MACHINE RENTAL	1,395.57	2,666.67	-1,271.10	52.3%
POSTAGE	2,179.88	5,200.00	-3,020.12	41.9%
ADVERTISING	0.00	333.33	-333.33	0.0%
PRINTING	0.00	333.33	-333.33	0.0%
GARBAGE	353.97	533.33	-179.36	66.4%
COMPUTER SOFTWARE	11,476.56	11,875.00	-398.44	96.6%
MISC. SERVICES	2,320.97	9,400.00	-7,079.03	24.7%
OFFICE SUPPLIES	1,169.19	2,000.00	-830.81	58.5%
IN-STATE-TRAVEL	0.00	2,000.00	-2,000.00	0.0%
OUT-OF-STATE TRAVEL	1,252.73	4,666.67	-3,413.94	26.8%
COMPUTER EQUIPMENT	0.00	1,333.33	-1,333.33	0.0%
LEGAL SERVICES	0.00	1,000.00	-1,000.00	0.0%
SUBSCRIPTIONS	2,197.75	2,500.00	-302.25	87.9%
EMPLOYEE TRAINING	3,409.27	5,333.33	-1,924.06	63.9%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	32,167.89	32,175.00	-7.11	100.0%
SECURITY GUARD	0.00	733.33	-733.33	0.0%
MISC. EXPENSES	2,384.29	2,666.67	-282.38	89.4%
ACTUARIAL SERVICES	70,000.00	70,000.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	27,394.38	29,000.00	-1,605.62	94.5%
FURN. & FIX. UNDER \$5000	0.00	1,333.33	-1,333.33	0.0%
COT CHARGES	37,991.98	43,333.33	-5,341.35	87.7%
BOOKS DEPARTMENT USE	16.10	66.67	-50.57	24.2%
JANITORIAL	2,640.58	3,933.33	-1,292.75	67.1%
E-FILE CHARGES	5,718.50	6,000.00	-281.50	95.3%
TOTAL EXPENSES	<u>1,495,887.89</u>	<u>1,790,883.33</u>	<u>-294,995.44</u>	<u>83.5%</u>



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May 17, 2023

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 March 31, 2023. 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 Nine Months Ended March 31, 2023

	Actual For Nine Months	Budget For Nine Months	Variance For Nine Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	659,036.01	769,875.00	-110,838.99	85.6%
FICA	48,865.67	58,575.00	-9,709.33	83.4%
RETIREMENT	513,091.59	601,050.00	-87,958.41	85.4%
HEALTH INSURANCE	77,389.60	82,500.00	-5,110.40	93.8%
LIFE INSURANCE	101.00	150.00	-49.00	67.3%
WORKERS COMPENSATION	0.00	1,425.00	-1,425.00	0.0%
INDIRECT COSTS	123,015.70	193,650.00	-70,634.30	63.5%
UNEMPLOYMENT PAY	0.00	900.00	-900.00	0.0%
ELECTRICITY	5,773.91	6,750.00	-976.09	85.5%
NATURAL GAS	3,338.88	5,775.00	-2,436.12	57.8%
COPY MACHINE RENTAL	1,395.57	3,000.00	-1,604.43	46.5%
POSTAGE	2,187.40	5,850.00	-3,662.60	37.4%
ADVERTISING	0.00	375.00	-375.00	0.0%
PRINTING	0.00	375.00	-375.00	0.0%
GARBAGE	353.97	600.00	-246.03	59.0%
COMPUTER SOFTWARE	11,483.70	11,875.00	-391.30	96.7%
MISC. SERVICES	2,348.33	10,575.00	-8,226.67	22.2%
OFFICE SUPPLIES	1,352.91	2,250.00	-897.09	60.1%
IN-STATE-TRAVEL	0.00	2,250.00	-2,250.00	0.0%
OUT-OF-STATE TRAVEL	1,252.73	5,250.00	-3,997.27	23.9%
COMPUTER EQUIPMENT	0.00	1,500.00	-1,500.00	0.0%
LEGAL SERVICES	0.00	1,125.00	-1,125.00	0.0%
SUBSCRIPTIONS	2,197.75	2,500.00	-302.25	87.9%
EMPLOYEE TRAINING	4,127.62	6,000.00	-1,872.38	68.8%
AUDIT SERVICES	22,470.00	23,000.00	-530.00	97.7%
RENT	32,167.89	32,175.00	-7.11	100.0%
SECURITY GUARD	0.00	825.00	-825.00	0.0%
MISC. EXPENSES	2,429.03	3,000.00	-570.97	81.0%
ACTUARIAL SERVICES	70,000.00	70,000.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	27,394.38	29,000.00	-1,605.62	94.5%
FURN. & FIX. UNDER \$5000	0.00	1,500.00	-1,500.00	0.0%
COT CHARGES	42,821.87	48,750.00	-5,928.13	87.8%
BOOKS DEPARTMENT USE	16.10	75.00	-58.90	21.5%
JANITORIAL	3,279.63	4,425.00	-1,145.37	74.1%
E-FILE CHARGES	5,798.50	6,750.00	-951.50	85.9%
TOTAL EXPENSES	1,663,689.74	1,993,675.00	-329,985.26	83.4%



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Nine Months Ended March 31, 2023
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	\$7,002,500	\$9,696,050	-\$2,693,550	\$0	\$9,696,050	-\$9,696,050	\$21,672,500	\$38,784,200	-\$17,111,700
Labor Claims	\$9,025,000	\$10,145,775	-\$1,120,775	\$7,520,000	\$10,145,775	-\$2,625,775	\$8,641,000	\$10,145,775	-\$1,504,775	\$0	\$10,145,775	-\$10,145,775	\$25,186,000	\$40,583,100	-\$15,397,100
UEF	\$1,300,000	\$1,780,325	-\$480,325	\$1,500,000	\$1,780,325	-\$280,325	\$1,760,000	\$1,780,325	-\$20,325	\$0	\$1,780,325	-\$1,780,325	\$4,560,000	\$7,121,300	-\$2,561,300
KOSH	\$200,000	\$192,850	\$7,150	\$194,400	\$192,850	\$1,550	\$100,000	\$192,850	-\$92,850	\$0	\$192,850	-\$192,850	\$494,400	\$771,400	-\$277,000
Funding Commission	\$515,000	\$594,700	-\$79,700	\$649,000	\$594,700	\$54,300	\$478,000	\$594,700	-\$116,700	\$0	\$594,700	-\$594,700	\$1,642,000	\$2,378,800	-\$736,800
Total	\$18,405,000	\$22,409,700	-\$4,004,700	\$17,168,400	\$22,409,700	-\$5,241,300	\$17,981,500	\$22,409,700	-\$4,428,200	\$0	\$22,409,700	-\$22,409,700	\$53,554,900	\$89,638,800	-\$36,083,900



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BALANCE SHEET
AS OF MARCH 31, 2023 AND 2022 (FOR COMPARISON)

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	78,897.04	123,148.97
ACCOUNTS RECEIVABLE	94,414.52	189,565.50
ASSESSMENT RECEIVABLE	17,845,978.16	15,434,023.40
RWAO KWFCF ADMN CASH ACCOUNT	31,684.83	17,698.22
	18,050,974.55	15,764,436.09
<u>INVESTMENTS</u>		
	295,951,715.29	311,834,393.93
<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
	\$ 315,677,890.84	\$ 328,911,318.02

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	121,626.60	287,681.21
ACC EXP - ST COMP ABSENCES	80,018.41	86,938.41
REFUNDS PAYABLE	22,015.22	714,648.10
	223,660.23	1,089,267.72
<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	10,115,190.53
<u>CAPITAL</u>		
RETAINED EARNINGS	305,578,367.90	346,181,994.72
NET INCOME	17,641.90	(27,385,867.23)
	305,596,009.80	318,796,127.49
	\$ 315,677,890.84	\$ 328,911,318.02



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
NINE MONTHS ENDING MARCH 31, 2023 AND 2022 (FOR COMPARISON)

REVENUES

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
ASSESSMENT RECEIPTS	52,248,299.89	48,670,611.73
ASSESSMENT PENALTY & INTEREST	45,569.84	129,703.06
OVERNIGHT INTEREST INCOME	7,314.30	(481.32)
INT/DIV INCOME ON INVESTMENTS	9,540,596.86	9,054,396.23
CHANGE IN FAIR VALUE ON INVESTMENTS	(7,939,082.42)	(30,248,102.43)
AUDIT REIMBURSEMENT	65,138.72	214,196.17
<u>TOTAL REVENUES</u>	<u>53,967,837.19</u>	<u>27,820,323.44</u>

EXPENSES

SP FUND TRANSFERS FOR CLAIMS	25,186,000.00	25,190,687.52
UEF TRANSFERS	4,560,000.00	4,157,800.00
SP FUND TRANSFERS FOR ADMIN	21,672,500.00	23,082,059.27
KOSH ADMIN. TRANSFER	494,400.00	471,833.53
CUSTODY FEE EXPENSE-STATE STREET	22,610.92	19,013.99
INVESTMENT MANAGEMENT FEES	212,327.69	302,378.62
ASSESSMENT REFUNDS	138,666.94	160,779.47
PAYROLL EXPENSES	1,298,483.87	1,354,547.11
OPERATING EXPENSES	365,205.87	467,091.16
<u>TOTAL EXPENSES</u>	<u>53,950,195.29</u>	<u>55,206,190.67</u>
<u>NET INCOME</u>	<u>\$ 17,641.90</u>	<u>\$ (27,385,867.23)</u>