



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

October 24, 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 financial reports submitted pursuant to KRS 342.1223(2)(h) for fiscal year-to-date September 30, 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
BALANCE SHEET
AS OF SEPTEMBER 30, 2023 AND 2022 (FOR COMPARISON)

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	6,124.79	70,779.98
ACCOUNTS RECEIVABLE	154,568.80	94,414.52
ASSESSMENT RECEIVABLE	16,186,931.28	17,845,978.16
RWAO KWCFC ADMN CASH ACCOUNT	53,174.73	20,461.85
	16,400,799.60	18,031,634.51
<u>TOTAL CURRENT ASSETS</u>		
<u>INVESTMENTS</u>		
BOOK VALUE - disclosure only, not included in totals	336,614,544.31	322,329,932.63
<u>LEASE RIGHT-OF-USE</u>	115,288.00	153,717.00
<u>DEFERRED OUTFLOW PENSION</u>		
	1,069,224.00	1,125,317.00
<u>DEFERRED OUTFLOW OPEB</u>		
	386,267.00	396,167.00
	\$ 308,583,639.69	\$ 302,492,329.13
<u>TOTAL ASSETS</u>		

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	150,624.89	121,626.60
ACC EXP - ST COMP ABSENCES	40,145.41	80,018.41
REFUNDS PAYABLE	-	22,015.22
	190,770.30	223,660.23
<u>TOTAL CURRENT LIABILITIES</u>		
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	87,796.81	61,629.81
LEASE LIABILITY	119,266.00	155,412.00
DEFERRED INFLOW PENSION	10,040.00	235,614.00
NET PENSION LIABILITY	8,570,306.00	7,788,178.00
DEFERRED INFLOW OPEB	211,354.00	291,662.00
OPEB LIABILITY	1,381,308.00	1,325,725.00
	10,380,070.81	9,858,220.81
<u>TOTAL LONG TERM LIABILITIES</u>		
<u>TOTAL LIABILITIES</u>		
	10,570,841.11	10,081,881.04
<u>CAPITAL</u>		
RETAINED EARNINGS	304,798,002.43	305,578,367.90
NET INCOME	(6,785,203.85)	(13,167,919.81)
	298,012,798.58	292,410,448.09
<u>TOTAL CAPITAL</u>		
<u>TOTAL LIABILITIES & CAPITAL</u>		
	\$ 308,583,639.69	\$ 302,492,329.13



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
THREE MONTHS ENDING SEPTEMBER 30, 2023 AND 2022 (FOR COMPARISON)

<u>REVENUES</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
ASSESSMENT RECEIPTS	16,731,938.64	18,522,071.15
ASSESSMENT PENALTY & INTEREST	13,703.05	7,770.40
OVERNIGHT INTEREST INCOME	3,832.52	3,671.80
INT/DIV INCOME ON INVESTMENTS	3,355,475.17	3,129,099.62
CHANGE IN FAIR VALUE ON INVESTMENTS	(8,844,866.11)	(16,380,278.54)
AUDIT REIMBURSEMENT	73,668.04	18,282.66
<u>TOTAL REVENUES</u>	<u>11,333,751.31</u>	<u>5,300,617.09</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	8,225,000.00	9,025,000.00
UEF TRANSFERS	1,400,000.00	1,300,000.00
SP FUND TRANSFERS FOR ADMIN	7,815,000.00	7,365,000.00
KOSH ADMIN. TRANSFER	125,000.00	200,000.00
CUSTODY FEE EXPENSE-STATE STREET	4,673.80	0.00
INVESTMENT MANAGEMENT FEES	83,632.27	48,466.92
ASSESSMENT REFUNDS	713.02	7,227.48
PAYROLL EXPENSES	400,038.85	448,373.05
OPERATING EXPENSES	64,897.22	74,469.45
<u>TOTAL EXPENSES</u>	<u>18,118,955.16</u>	<u>18,468,536.90</u>
<u>NET INCOME</u>	<u>\$ (6,785,203.85)</u>	<u>\$ (13,167,919.81)</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Three Months Ended September 30, 2023
Fiscal Year 2024

AGENCY	Q1 July - Sept 23			Q2 Oct - Dec 23			Q3 Jan - March 24			Q4 April - June 24			FYTD 2024		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Labor Administration	\$7,815,000	\$9,647,175	-\$1,832,175	\$0	\$9,647,175	-\$9,647,175	\$0	\$9,647,175	-\$9,647,175	\$0	\$9,647,175	-\$9,647,175	\$7,815,000	\$38,588,700	-\$30,773,700
Labor Claims	\$8,225,000	\$10,331,600	-\$2,106,600	\$0	\$10,331,600	-\$10,331,600	\$0	\$10,331,600	-\$10,331,600	\$0	\$10,331,600	-\$10,331,600	\$8,225,000	\$41,326,400	-\$33,101,400
UEF	\$1,400,000	\$1,722,225	-\$322,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$1,400,000	\$6,888,900	-\$5,488,900
KOSH	\$125,000	\$191,800	-\$66,800	\$0	\$191,800	-\$191,800	\$0	\$191,800	-\$191,800	\$0	\$191,800	-\$191,800	\$125,000	\$767,200	-\$642,200
Funding Commission	\$360,000	\$527,700	-\$167,700	\$0	\$527,700	-\$527,700	\$0	\$527,700	-\$527,700	\$0	\$527,700	-\$527,700	\$360,000	\$2,110,800	-\$1,750,800
Total	\$17,925,000	\$22,420,500	-\$4,495,500	\$0	\$22,420,500	-\$22,420,500	\$0	\$22,420,500	-\$22,420,500	\$0	\$22,420,500	-\$22,420,500	\$17,925,000	\$89,682,000	-\$71,757,000



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Three Months Ended September 30, 2023

	Actual For Three Months	Budget For Three Months	Variance For Three Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	213,858.82	285,000.00	-71,141.18	75.0%
FICA	15,853.03	21,550.00	-5,696.97	73.6%
RETIREMENT	145,526.16	188,600.00	-43,073.84	77.2%
HEALTH INSURANCE	24,330.84	33,350.00	-9,019.16	73.0%
LIFE INSURANCE	30.00	50.00	-20.00	60.0%
WORKERS COMPENSATION	440.00	500.00	-60.00	0.0%
INDIRECT COSTS	26,629.12	60,000.00	-33,370.88	44.4%
UNEMPLOYMENT PAY	0.00	250.00	-250.00	0.0%
ELECTRICITY	2,277.81	2,000.00	277.81	113.9%
NATURAL GAS	401.96	1,125.00	-723.04	35.7%
COPY MACHINE RENTAL	1,004.78	1,250.00	-245.22	80.4%
POSTAGE	939.95	1,250.00	-310.05	75.2%
ADVERTISING	0.00	125.00	-125.00	0.0%
PRINTING	0.00	125.00	-125.00	0.0%
GARBAGE	177.17	175.00	2.17	101.2%
COMPUTER SOFTWARE	2,995.81	3,250.00	-254.19	92.2%
MISC. SERVICES	1,101.29	4,000.00	-2,898.71	27.5%
OFFICE SUPPLIES	151.03	500.00	-348.97	30.2%
IN-STATE-TRAVEL	0.00	500.00	-500.00	0.0%
OUT-OF-STATE TRAVEL	0.00	1,000.00	-1,000.00	0.0%
COMPUTER EQUIPMENT	75.00	75.00	0.00	0.0%
LEGAL SERVICES	0.00	375.00	-375.00	0.0%
SUBSCRIPTIONS	2,283.75	2,300.00	-16.25	99.3%
EMPLOYEE TRAINING	700.00	2,250.00	-1,550.00	31.1%
AUDIT SERVICES	0.00	7,125.00	-7,125.00	0.0%
RENT	10,722.63	10,750.00	-27.37	99.7%
SECURITY GUARD	0.00	375.00	-375.00	0.0%
MISC. EXPENSES	360.73	1,250.00	-889.27	28.9%
ACTUARIAL SERVICES	0.00	17,500.00	-17,500.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	7,500.00	-7,500.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	750.00	-750.00	0.0%
COT CHARGES	11,600.89	16,675.00	-5,074.11	69.6%
BOOKS DEPARTMENT USE	0.00	25.00	-25.00	0.0%
JANITORIAL	1,435.30	1,475.00	-39.70	97.3%
E-FILE CHARGES	2,040.00	2,125.00	-85.00	96.0%
TOTAL EXPENSES	464,936.07	675,150.00	-210,213.93	68.9%