



## WORKERS' COMPENSATION FUNDING COMMISSION

**Andy Beshear**  
Governor

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**Lisa Gilreath-King**  
Executive Director

December 5, 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 October 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**  
**BALANCE SHEET**  
**AS OF OCTOBER 31, 2023 AND 2022 (FOR COMPARISON)**

**ASSETS**

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>CURRENT ASSETS</u></b>		
RWBO SPECIAL FUND CASH ACCOUNT	13,152,393.48	1,934,261.81
ACCOUNTS RECEIVABLE	154,568.80	107,941.72
ASSESSMENT RECEIVABLE	16,186,931.28	17,845,978.16
RWAO KWCFC ADMN CASH ACCOUNT	33,525.70	108,684.91
	<b>29,527,419.26</b>	<b>19,996,866.60</b>
<b><u>INVESTMENTS</u></b>		
BOOK VALUE - disclosure only, not included in totals	285,937,170.08	286,189,271.16
	335,676,399.91	330,396,471.07
<b><u>LEASE RIGHT-OF-USE</u></b>	<b>115,288.00</b>	<b>153,717.00</b>
<b><u>DEFERRED OUTFLOW PENSION</u></b>		
	<b>1,069,224.00</b>	<b>1,125,317.00</b>
<b><u>DEFERRED OUTFLOW OPEB</u></b>		
	<b>386,267.00</b>	<b>396,167.00</b>
	<b>\$ 317,035,368.34</b>	<b>\$ 307,861,338.76</b>

**LIABILITIES AND CAPITAL**

<b><u>CURRENT LIABILITIES</u></b>		
ACCRUED EXPENSES	150,624.89	121,626.60
ACC EXP - ST COMP ABSENCES	40,145.41	80,018.41
REFUNDS PAYABLE	-	22,015.22
	<b>190,770.30</b>	<b>223,660.23</b>
<b><u>LONG TERM LIABILITIES</u></b>		
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
	<b>10,380,070.81</b>	<b>9,858,220.81</b>
	<b>10,570,841.11</b>	<b>10,081,881.04</b>
<b><u>CAPITAL</u></b>		
RETAINED EARNINGS	304,798,002.43	305,578,367.90
NET INCOME	1,666,524.80	(7,798,910.18)
	<b>306,464,527.23</b>	<b>297,779,457.72</b>
	<b>\$ 317,035,368.34</b>	<b>\$ 307,861,338.76</b>



**KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION**  
**INCOME STATEMENT**  
**FOUR MONTHS ENDING OCTOBER 31, 2023 AND 2022 (FOR COMPARISON)**

	<u>October 31, 2023</u>	<u>October 31, 2022</u>
<b><u>REVENUES</u></b>		
ASSESSMENT RECEIPTS	35,238,686.77	33,670,174.33
ASSESSMENT PENALTY & INTEREST	14,567.10	11,019.03
OVERNIGHT INTEREST INCOME	15,539.52	5,351.37
INT/DIV INCOME ON INVESTMENTS	4,469,191.96	4,187,168.60
CHANGE IN FAIR VALUE ON INVESTMENTS	(14,085,307.91)	(20,951,572.11)
AUDIT REIMBURSEMENT	81,932.34	18,282.66
<b><u>TOTAL REVENUES</u></b>	<b><u>25,734,609.78</u></b>	<b><u>16,940,423.88</u></b>
<b><u>EXPENSES</u></b>		
SP FUND TRANSFERS FOR CLAIMS	10,746,600.00	11,535,000.00
UEF TRANSFERS	2,000,000.00	1,550,000.00
SP FUND TRANSFERS FOR ADMIN	10,339,200.00	10,410,000.00
KOSH ADMIN. TRANSFER	170,300.00	394,400.00
CUSTODY FEE EXPENSE-STATE STREET	4,673.80	0.00
INVESTMENT MANAGEMENT FEES	166,798.27	131,464.79
ASSESSMENT REFUNDS	3,301.17	7,227.48
PAYROLL EXPENSES	533,079.97	589,273.83
OPERATING EXPENSES	104,131.77	121,967.96
<b><u>TOTAL EXPENSES</u></b>	<b><u>24,068,084.98</u></b>	<b><u>24,739,334.06</u></b>
<b><u>NET INCOME</u></b>	<b><u>\$ 1,666,524.80</u></b>	<b><u>\$ (7,798,910.18)</u></b>



**FUNDING TO AGENCIES BY QUARTER (Actual to Budget)**  
**For Four Months Ended October 31, 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	\$2,524,200	\$9,647,175	-\$7,122,975	\$0	\$9,647,175	-\$9,647,175	\$0	\$9,647,175	-\$9,647,175	\$10,339,200	\$38,588,700	-\$28,249,500
Labor Claims	\$8,225,000	\$10,331,600	-\$2,106,600	\$2,521,600	\$10,331,600	-\$7,810,000	\$0	\$10,331,600	-\$10,331,600	\$0	\$10,331,600	-\$10,331,600	\$10,746,600	\$41,326,400	-\$30,579,800
UEF	\$1,400,000	\$1,722,225	-\$322,225	\$600,000	\$1,722,225	-\$1,122,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$2,000,000	\$6,888,900	-\$4,888,900
KOSH	\$125,000	\$191,800	-\$66,800	\$45,300	\$191,800	-\$146,500	\$0	\$191,800	-\$191,800	\$0	\$191,800	-\$191,800	\$170,300	\$767,200	-\$596,900
Funding Commission	\$360,000	\$527,700	-\$167,700	\$144,200	\$527,700	-\$383,500	\$0	\$527,700	-\$527,700	\$0	\$527,700	-\$527,700	\$504,200	\$2,110,800	-\$1,606,600
<b>Total</b>	<b>\$17,925,000</b>	<b>\$22,420,500</b>	<b>-\$4,495,500</b>	<b>\$5,835,300</b>	<b>\$22,420,500</b>	<b>-\$16,585,200</b>	<b>\$0</b>	<b>\$22,420,500</b>	<b>-\$22,420,500</b>	<b>\$0</b>	<b>\$22,420,500</b>	<b>-\$22,420,500</b>	<b>\$23,760,300</b>	<b>\$89,682,000</b>	<b>-\$65,921,700</b>



**KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION**  
**Statement of Expenses (Actual to Budget)**  
**For Four Months Ended October 31, 2023**

	Actual For Four Months	Budget For Four Months	Variance For Four Months	Actual as % of Budget
<b>EXPENSES:</b>				
WAGES AND SALARIES	285,824.02	380,000.00	-94,175.98	75.2%
FICA	21,189.31	28,733.33	-7,544.02	73.7%
RETIREMENT	193,145.52	251,466.67	-58,321.15	76.8%
HEALTH INSURANCE	32,441.12	44,466.67	-12,025.55	73.0%
LIFE INSURANCE	40.00	66.67	-26.67	60.0%
WORKERS COMPENSATION	440.00	500.00	-60.00	0.0%
INDIRECT COSTS	40,839.00	80,000.00	-39,161.00	51.0%
UNEMPLOYMENT PAY	0.00	333.33	-333.33	0.0%
ELECTRICITY	2,929.42	2,666.67	262.75	109.9%
NATURAL GAS	564.59	1,500.00	-935.41	37.6%
COPY MACHINE RENTAL	1,004.78	1,666.67	-661.89	60.3%
POSTAGE	1,569.33	1,666.67	-97.34	94.2%
ADVERTISING	0.00	166.67	-166.67	0.0%
PRINTING	0.00	166.67	-166.67	0.0%
GARBAGE	220.47	233.33	-12.86	94.5%
COMPUTER SOFTWARE	9,986.14	10,833.33	-847.19	92.2%
MISC. SERVICES	1,114.97	5,333.33	-4,218.36	20.9%
OFFICE SUPPLIES	324.06	666.67	-342.61	48.6%
IN-STATE-TRAVEL	87.18	666.67	-579.49	13.1%
OUT-OF-STATE TRAVEL	0.00	1,333.33	-1,333.33	0.0%
COMPUTER EQUIPMENT	75.00	100.00	-25.00	0.0%
LEGAL SERVICES	0.00	500.00	-500.00	0.0%
SUBSCRIPTIONS	2,283.75	2,300.00	-16.25	99.3%
EMPLOYEE TRAINING	700.00	3,000.00	-2,300.00	23.3%
AUDIT SERVICES	0.00	9,500.00	-9,500.00	0.0%
RENT	21,445.26	21,500.00	-54.74	99.7%
SECURITY GUARD	0.00	500.00	-500.00	0.0%
MISC. EXPENSES	766.97	1,666.67	-899.70	46.0%
ACTUARIAL SERVICES	0.00	23,333.33	-23,333.33	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	10,000.00	-10,000.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	1,000.00	-1,000.00	0.0%
COT CHARGES	16,247.22	22,233.33	-5,986.11	73.1%
BOOKS DEPARTMENT USE	0.00	33.33	-33.33	0.0%
JANITORIAL	1,843.63	1,966.67	-123.04	93.7%
E-FILE CHARGES	2,130.00	2,833.33	-703.33	75.2%
<b>TOTAL EXPENSES</b>	<b><u>637,211.74</u></b>	<b><u>912,933.33</u></b>	<b><u>-275,721.59</u></b>	<b><u>69.8%</u></b>