



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

January 30, 2024

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 are December 31, 2023 financial reports submitted pursuant to KRS 342.1223(2)(h).

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 DECEMBER 31, 2023 AND 2022 (FOR COMPARISON)

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	3,333,276.44	29,168.10
ACCOUNTS RECEIVABLE	154,568.80	94,414.52
ASSESSMENT RECEIVABLE	16,186,931.28	17,845,978.16
RWAO KWFC ADMN CASH ACCOUNT	53,919.76	79,252.93
<u>TOTAL CURRENT ASSETS</u>	19,728,696.28	18,048,813.71
<u>INVESTMENTS</u>		
BOOK VALUE - disclosure only. not included in totals. hold to maturity, no real loss	308,252,455.04	287,592,150.40
	337,942,005.44	325,531,934.23
<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
<u>TOTAL ASSETS</u>	\$ 329,551,930.32	\$ 307,316,165.11
 <u>LIABILITIES AND CAPITAL</u>		
<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
<u>TOTAL CURRENT LIABILITIES</u>	190,770.30	223,660.23
<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
<u>TOTAL LONG TERM LIABILITIES</u>	10,380,070.81	9,858,220.81
<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	14,183,086.78	(8,344,083.83)
<u>TOTAL CAPITAL</u>	318,981,089.21	297,234,284.07
<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 329,551,930.32	\$ 307,316,165.11



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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	35,812,364.16	35,769,456.81
ASSESSMENT PENALTY & INTEREST	36,315.69	11,049.56
OVERNIGHT INTEREST INCOME	91,716.81	7,040.53
INT/DIV INCOME ON INVESTMENTS	6,725,397.77	6,323,750.43
CHANGE IN FAIR VALUE ON INVESTMENTS	5,973,771.24	(14,667,040.27)
AUDIT REIMBURSEMENT	108,659.19	20,385.05
<u>TOTAL REVENUES</u>	<u>48,748,224.86</u>	<u>27,464,642.11</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	15,272,300.00	16,545,000.00
UEF TRANSFERS	2,948,500.00	2,800,000.00
SP FUND TRANSFERS FOR ADMIN	14,832,800.00	14,670,000.00
KOSH ADMIN. TRANSFER	254,500.00	394,400.00
CUSTODY FEE EXPENSE-STATE STREET	4,673.80	18,234.43
INVESTMENT MANAGEMENT FEES	166,798.27	131,464.79
ASSESSMENT REFUNDS	4,152.12	133,833.38
PAYROLL EXPENSES	800,531.54	871,520.04
OPERATING EXPENSES	280,882.35	244,273.30
<u>TOTAL EXPENSES</u>	<u>34,565,138.08</u>	<u>35,808,725.94</u>
<u>NET INCOME</u>	<u>\$ 14,183,086.78</u>	<u>\$ (8,344,083.83)</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Six Months Ended December 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	\$7,017,800	\$9,647,175	-\$2,629,375	\$0	\$9,647,175	-\$9,647,175	\$0	\$9,647,175	-\$9,647,175	\$14,832,800	\$38,568,700	-\$23,735,900
Labor Claims	\$8,225,000	\$10,331,600	-\$2,106,600	\$7,047,300	\$10,331,600	-\$3,284,300	\$0	\$10,331,600	-\$10,331,600	\$0	\$10,331,600	-\$10,331,600	\$15,272,300	\$41,326,400	-\$26,054,100
UEF	\$1,400,000	\$1,722,225	-\$322,225	\$1,548,500	\$1,722,225	-\$173,725	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$2,948,500	\$6,868,900	-\$3,940,400
KOSH	\$125,000	\$191,800	-\$66,800	\$129,500	\$191,800	-\$62,300	\$0	\$191,800	-\$191,800	\$0	\$191,800	-\$191,800	\$254,500	\$767,200	-\$512,700
Funding Commission	\$360,000	\$527,700	-\$167,700	\$481,800	\$527,700	-\$45,900	\$0	\$527,700	-\$527,700	\$0	\$527,700	-\$527,700	\$841,800	\$2,110,800	-\$1,269,000
Total	\$17,925,000	\$22,420,500	-\$4,495,500	\$16,224,900	\$22,420,500	-\$6,195,600	\$0	\$22,420,500	-\$22,420,500	\$0	\$22,420,500	-\$22,420,500	\$34,149,900	\$89,682,000	-\$55,532,100



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

	Actual For Six Months	Budget For Six Months	Variance For Six Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	430,321.14	570,000.00	-139,678.86	75.5%
FICA	31,874.34	43,100.00	-11,225.66	74.0%
RETIREMENT	288,759.24	377,200.00	-88,440.76	76.6%
HEALTH INSURANCE	49,076.82	66,700.00	-17,623.18	73.6%
LIFE INSURANCE	60.00	100.00	-40.00	60.0%
WORKERS COMPENSATION	440.00	500.00	-60.00	0.0%
INDIRECT COSTS	72,213.22	120,000.00	-47,786.78	60.2%
UNEMPLOYMENT PAY	0.00	500.00	-500.00	0.0%
ELECTRICITY	4,134.41	4,000.00	134.41	103.4%
NATURAL GAS	812.09	2,250.00	-1,437.91	36.1%
COPY MACHINE RENTAL	2,505.85	2,500.00	5.85	100.2%
POSTAGE	1,747.74	2,500.00	-752.26	69.9%
ADVERTISING	0.00	250.00	-250.00	0.0%
PRINTING	0.00	250.00	-250.00	0.0%
GARBAGE	263.77	350.00	-86.23	75.4%
COMPUTER SOFTWARE	10,001.20	10,833.33	-832.13	92.3%
MISC. SERVICES	1,183.65	8,000.00	-6,816.35	14.8%
OFFICE SUPPLIES	455.03	1,000.00	-544.97	45.5%
IN-STATE-TRAVEL	87.18	1,000.00	-912.82	8.7%
OUT-OF-STATE TRAVEL	993.04	2,000.00	-1,006.96	49.7%
COMPUTER EQUIPMENT	75.00	150.00	-75.00	0.0%
LEGAL SERVICES	0.00	750.00	-750.00	0.0%
SUBSCRIPTIONS	2,283.75	2,300.00	-16.25	99.3%
EMPLOYEE TRAINING	1,566.24	4,500.00	-2,933.76	34.8%
AUDIT SERVICES	28,325.00	28,500.00	-175.00	99.4%
RENT	21,445.26	21,500.00	-54.74	99.7%
SECURITY GUARD	0.00	750.00	-750.00	0.0%
MISC. EXPENSES	1,529.08	2,500.00	-970.92	61.2%
ACTUARIAL SERVICES	70,000.00	70,000.00	0.00	100.0%
PUBLIC OFFICIALS INSURANCE	27,221.32	30,000.00	-2,778.68	90.7%
FURN. & FIX. UNDER \$5000	0.00	1,500.00	-1,500.00	0.0%
COT CHARGES	27,346.07	33,350.00	-6,003.93	82.0%
BOOKS DEPARTMENT USE	0.00	50.00	-50.00	0.0%
JANITORIAL	2,783.45	2,950.00	-166.55	94.4%
E-FILE CHARGES	3,910.00	4,250.00	-340.00	92.0%
TOTAL EXPENSES	<u>1,081,413.89</u>	<u>1,416,083.33</u>	<u>-334,669.44</u>	<u>76.4%</u>