



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

March 5, 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 January 31, 2024 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 JANUARY 31, 2024 AND 2023 (FOR COMPARISON)

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	12,712,801.04	2,088.88
ACCOUNTS RECEIVABLE	154,568.80	94,414.52
ASSESSMENT RECEIVABLE	16,186,931.28	17,845,978.16
RWAO KWCFC ADMN CASH ACCOUNT	15,512.08	71,487.01
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<u>TOTAL CURRENT ASSETS</u>	29,069,813.20	18,013,968.57
<u>INVESTMENTS</u>		
BOOK VALUE - disclosure only, not included in totals, hold to maturity, no real loss	310,173,051.05	305,483,217.88
<u>LEASE RIGHT-OF-USE</u>	115,288.00	153,717.00
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<u>DEFERRED OUTFLOW PENSION</u>	1,069,224.00	1,125,317.00
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<u>DEFERRED OUTFLOW OPEB</u>	386,267.00	396,167.00
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<u>TOTAL ASSETS</u>	\$ 340,813,643.25	\$ 325,172,387.45

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
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<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
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<u>TOTAL LONG TERM LIABILITIES</u>	10,380,070.81	9,858,220.81
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<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	25,444,799.71	9,512,138.51
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<u>TOTAL CAPITAL</u>	330,242,802.14	315,090,506.41
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<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 340,813,643.25	\$ 325,172,387.45



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
SEVEN MONTHS ENDING JANUARY 31, 2024 AND 2023 (FOR COMPARISON)

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	50,965,756.91	49,597,118.54
ASSESSMENT PENALTY & INTEREST	36,607.73	36,843.51
OVERNIGHT INTEREST INCOME	108,967.53	6,505.51
INT/DIV INCOME ON INVESTMENTS	7,850,621.08	7,383,872.64
CHANGE IN FAIR VALUE ON INVESTMENTS	6,451,729.27	(5,255,232.10)
AUDIT REIMBURSEMENT	121,600.99	43,974.76
<u>TOTAL REVENUES</u>	<u>65,535,283.51</u>	<u>51,813,082.86</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	17,563,100.00	19,220,000.00
UEF TRANSFERS	3,448,500.00	3,750,000.00
SP FUND TRANSFERS FOR ADMIN	17,229,800.00	17,060,000.00
KOSH ADMIN. TRANSFER	326,500.00	574,400.00
CUSTODY FEE EXPENSE-STATE STREET	4,673.80	18,234.43
INVESTMENT MANAGEMENT FEES	249,383.60	212,327.69
ASSESSMENT REFUNDS	4,611.88	138,634.23
PAYROLL EXPENSES	948,285.04	1,013,841.28
OPERATING EXPENSES	315,629.48	313,506.72
<u>TOTAL EXPENSES</u>	<u>40,090,483.80</u>	<u>42,300,944.35</u>
<u>NET INCOME</u>	<u>\$ 25,444,799.71</u>	<u>\$ 9,512,138.51</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Seven Months Ended January 31, 2024
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	\$2,397,000	\$9,647,175	-\$7,250,175	\$0	\$9,647,175	-\$9,647,175	\$17,229,800	\$38,588,700	-\$21,358,900
Labor Claims	\$8,225,000	\$10,331,600	-\$2,106,600	\$7,047,300	\$10,331,600	-\$3,284,300	\$2,290,800	\$10,331,600	-\$8,040,800	\$0	\$10,331,600	-\$10,331,600	\$17,563,100	\$41,326,400	-\$23,763,300
UEF	\$1,400,000	\$1,722,225	-\$322,225	\$1,548,500	\$1,722,225	-\$173,725	\$500,000	\$1,722,225	-\$1,222,225	\$0	\$1,722,225	-\$1,722,225	\$3,448,500	\$6,888,900	-\$3,440,400
KOSH	\$125,000	\$191,800	-\$66,800	\$129,500	\$191,800	-\$62,300	\$72,000	\$191,800	-\$119,800	\$0	\$191,800	-\$191,800	\$326,500	\$767,200	-\$440,700
Funding Commission	\$360,000	\$527,700	-\$167,700	\$481,800	\$527,700	-\$45,900	\$131,000	\$527,700	-\$396,700	\$0	\$527,700	-\$527,700	\$972,800	\$2,110,800	-\$1,138,000
Total	\$17,925,000	\$22,420,500	-\$4,495,500	\$16,224,900	\$22,420,500	-\$6,195,600	\$5,390,800	\$22,420,500	-\$17,029,700	\$0	\$22,420,500	-\$22,420,500	\$39,540,700	\$89,682,000	-\$50,141,300



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Seven Months Ended January 31, 2024

	Actual For Seven Months	Budget For Seven Months	Variance For Seven Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	509,693.32	665,000.00	-155,306.68	76.6%
FICA	37,738.70	50,283.33	-12,544.63	75.1%
RETIREMENT	341,327.26	440,066.67	-98,739.41	77.6%
HEALTH INSURANCE	59,015.76	77,816.67	-18,800.91	75.8%
LIFE INSURANCE	70.00	116.67	-46.67	60.0%
WORKERS COMPENSATION	440.00	583.33	-143.33	0.0%
INDIRECT COSTS	86,329.88	140,000.00	-53,670.12	61.7%
UNEMPLOYMENT PAY	0.00	583.33	-583.33	0.0%
ELECTRICITY	4,843.27	4,666.67	176.60	103.8%
NATURAL GAS	1,208.32	2,625.00	-1,416.68	46.0%
COPY MACHINE RENTAL	2,505.85	2,916.67	-410.82	85.9%
POSTAGE	2,503.72	2,916.67	-412.95	85.8%
ADVERTISING	0.00	291.67	-291.67	0.0%
PRINTING	0.00	291.67	-291.67	0.0%
GARBAGE	350.37	408.33	-57.96	85.8%
COMPUTER SOFTWARE	12,624.83	12,833.33	-208.50	98.4%
MISC. SERVICES	1,197.33	9,333.33	-8,136.00	12.8%
OFFICE SUPPLIES	566.63	1,166.67	-600.04	48.6%
IN-STATE-TRAVEL	87.18	1,166.67	-1,079.49	7.5%
OUT-OF-STATE TRAVEL	993.04	2,333.33	-1,340.29	42.6%
COMPUTER EQUIPMENT	75.00	175.00	-100.00	0.0%
LEGAL SERVICES	0.00	875.00	-875.00	0.0%
SUBSCRIPTIONS	2,283.75	2,300.00	-16.25	99.3%
EMPLOYEE TRAINING	1,566.24	5,250.00	-3,683.76	29.8%
AUDIT SERVICES	28,325.00	28,500.00	-175.00	99.4%
RENT	32,167.89	25,083.33	7,084.56	128.2%
SECURITY GUARD	0.00	875.00	-875.00	0.0%
MISC. EXPENSES	1,537.57	2,916.67	-1,379.10	52.7%
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	1,750.00	-1,750.00	0.0%
COT CHARGES	32,035.51	38,325.00	-6,289.49	83.6%
BOOKS DEPARTMENT USE	0.00	58.33	-58.33	0.0%
JANITORIAL	3,191.78	3,441.67	-249.89	92.7%
E-FILE CHARGES	4,015.00	4,958.33	-943.33	81.0%
TOTAL EXPENSES	<u>1,263,914.52</u>	<u>1,629,908.33</u>	<u>-365,993.81</u>	<u>77.5%</u>