



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

March 28, 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 February 29, 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 FEBRUARY 29, 2024 AND AS OF FEBRUARY 28, 2023 (FOR COMPARISON)

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	6,267,886.25	22,321.53
ACCOUNTS RECEIVABLE	154,568.80	94,414.52
ASSESSMENT RECEIVABLE	16,186,931.28	17,845,978.16
RWAO KWFC ADMN CASH ACCOUNT	41,136.83	29,996.75
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<u>TOTAL CURRENT ASSETS</u>	22,650,523.16	17,992,710.96
<u>INVESTMENTS</u>		
BOOK VALUE - disclosure only, not included in totals, hold to maturity, no real loss	340,505,053.65	332,294,549.96
<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
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<u>TOTAL ASSETS</u>	\$ 331,123,219.01	\$ 316,046,231.97

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	15,754,375.47	385,983.03
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<u>TOTAL CAPITAL</u>	320,552,377.90	305,964,350.93
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<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 331,123,219.01	\$ 316,046,231.97



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
EIGHT MONTHS ENDING FEBRUARY 29, 2024 AND FEBRUARY 28, 2023 (FOR COMPARISON)

	<u>February 29, 2024</u>	<u>February 28, 2023</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	51,418,172.20	51,700,360.54
ASSESSMENT PENALTY & INTEREST	43,037.23	43,679.02
OVERNIGHT INTEREST INCOME	154,353.28	6,901.74
INT/DIV INCOME ON INVESTMENTS	8,967,976.75	8,422,766.31
CHANGE IN FAIR VALUE ON INVESTMENTS	2,063,239.40	(12,644,647.15)
AUDIT REIMBURSEMENT	147,924.75	45,783.30
<u>TOTAL REVENUES</u>	<u>62,794,703.61</u>	<u>47,574,843.76</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	21,254,200.00	21,520,000.00
UEF TRANSFERS	3,948,500.00	3,950,000.00
SP FUND TRANSFERS FOR ADMIN	19,761,700.00	19,275,000.00
KOSH ADMIN. TRANSFER	367,400.00	574,400.00
CUSTODY FEE EXPENSE-STATE STREET	4,673.80	22,610.92
INVESTMENT MANAGEMENT FEES	249,383.60	212,327.69
ASSESSMENT REFUNDS	16,142.75	138,634.23
PAYROLL EXPENSES	1,096,205.91	1,156,162.59
OPERATING EXPENSES	342,122.08	339,725.30
<u>TOTAL EXPENSES</u>	<u>47,040,328.14</u>	<u>47,188,860.73</u>
<u>NET INCOME</u>	<u>\$ 15,754,375.47</u>	<u>\$ 385,983.03</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Eight Months Ended February 29, 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	\$7,785,000	\$9,647,175	-\$1,862,175	\$6,921,700	\$9,647,175	-\$2,725,475	\$5,055,000	\$9,647,175	-\$4,592,175	\$0	\$9,647,175	-\$9,647,175	\$19,761,700	\$38,588,700	-\$18,827,000
Labor Claims	\$8,255,000	\$10,331,600	-\$2,076,600	\$7,143,400	\$10,331,600	-\$3,188,200	\$5,855,800	\$10,331,600	-\$4,475,800	\$0	\$10,331,600	-\$10,331,600	\$21,254,200	\$41,326,400	-\$20,072,200
UEF	\$1,400,000	\$1,722,225	-\$322,225	\$1,548,500	\$1,722,225	-\$173,725	\$1,000,000	\$1,722,225	-\$722,225	\$0	\$1,722,225	-\$1,722,225	\$3,948,500	\$6,888,900	-\$2,940,400
KOSH	\$125,000	\$191,800	-\$66,800	\$129,500	\$191,800	-\$62,300	\$112,900	\$191,800	-\$78,900	\$0	\$191,800	-\$191,800	\$367,400	\$767,200	-\$399,800
Funding Commission	\$360,000	\$527,700	-\$167,700	\$481,800	\$527,700	-\$45,900	\$304,600	\$527,700	-\$223,100	\$0	\$527,700	-\$527,700	\$1,146,400	\$2,110,800	-\$964,400
Total	\$17,925,000	\$22,420,500	-\$4,495,500	\$16,224,900	\$22,420,500	-\$6,195,600	\$12,328,300	\$22,420,500	-\$10,092,200	\$0	\$22,420,500	-\$22,420,500	\$46,478,200	\$89,682,000	-\$43,203,800



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Eight Months Ended February 29, 2024

	Actual For Eight Months	Budget For Eight Months	Variance For Eight Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	589,189.12	760,000.00	-170,810.88	77.5%
FICA	43,612.47	57,466.67	-13,854.20	75.9%
RETIREMENT	393,929.62	502,933.33	-109,003.71	78.3%
HEALTH INSURANCE	68,954.70	88,933.33	-19,978.63	77.5%
LIFE INSURANCE	80.00	133.33	-53.33	60.0%
WORKERS COMPENSATION	440.00	500.00	-60.00	0.0%
INDIRECT COSTS	101,893.34	160,000.00	-58,106.66	63.7%
UNEMPLOYMENT PAY	0.00	666.67	-666.67	0.0%
ELECTRICITY	5,870.80	6,000.00	-129.20	97.8%
NATURAL GAS	1,770.90	2,333.33	-562.43	75.9%
COPY MACHINE RENTAL	2,505.85	3,333.33	-827.48	75.2%
POSTAGE	2,552.02	3,333.33	-781.31	76.6%
ADVERTISING	0.00	333.33	-333.33	0.0%
PRINTING	0.00	333.33	-333.33	0.0%
GARBAGE	393.67	466.67	-73.00	84.4%
COMPUTER SOFTWARE	12,632.71	12,833.33	-200.62	98.4%
MISC. SERVICES	1,224.69	10,533.33	-9,308.64	11.6%
OFFICE SUPPLIES	833.41	1,333.33	-499.92	62.5%
IN-STATE-TRAVEL	87.18	1,333.33	-1,246.15	6.5%
OUT-OF-STATE TRAVEL	993.04	2,666.67	-1,673.63	37.2%
COMPUTER EQUIPMENT	75.00	200.00	-125.00	0.0%
LEGAL SERVICES	0.00	1,000.00	-1,000.00	0.0%
SUBSCRIPTIONS	2,283.75	2,300.00	-16.25	99.3%
EMPLOYEE TRAINING	1,566.24	6,000.00	-4,433.76	26.1%
AUDIT SERVICES	28,325.00	28,500.00	-175.00	99.4%
RENT	32,167.89	32,250.00	-82.11	99.7%
SECURITY GUARD	0.00	1,000.00	-1,000.00	0.0%
MISC. EXPENSES	1,930.77	3,333.33	-1,402.56	57.9%
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	2,000.00	-2,000.00	0.0%
COT CHARGES	38,449.39	43,800.00	-5,350.61	87.8%
BOOKS DEPARTMENT USE	0.00	66.67	-66.67	0.0%
JANITORIAL	3,600.11	3,933.33	-333.22	91.5%
E-FILE CHARGES	5,745.00	5,800.00	-55.00	99.1%
TOTAL EXPENSES	<u>1,438,327.99</u>	<u>1,845,650.00</u>	<u>-407,322.01</u>	<u>77.9%</u>