



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

42 Mill Creek Park
Frankfort, Kentucky 40601
Phone: (502) 573-3505
Fax: (502) 573-4923
www.kwcfc.ky.gov

Lisa Gilreath-King
Executive Director

October 1, 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 August 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 AUGUST 31, 2024 AND 2023 (FOR COMPARISON)

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	10,360,154.26	1,151,209.51
ACCOUNTS RECEIVABLE	81,402.45	154,568.80
ASSESSMENT RECEIVABLE	16,944,861.05	16,186,931.28
RWAO KWCFC ADMN CASH ACCOUNT	8,186.70	89,886.68
	<u>27,394,604.46</u>	<u>17,582,596.27</u>
<u>FURNITURE, FIXTURES, EQUIPMENT</u>		
	<u>6,332.00</u>	
<u>INVESTMENTS</u>		
	<u>321,457,508.01</u>	<u>301,133,514.80</u>
BOOK VALUE - disclosure only, not included in totals, hold to maturity, no real loss	346,423,980.73	339,010,399.81
<u>LEASE RIGHT-OF-USE</u>	<u>76,859.00</u>	<u>115,288.00</u>
<u>DEFERRED OUTFLOW PENSION</u>		
	<u>4,158,756.00</u>	<u>1,069,224.00</u>
<u>DEFERRED OUTFLOW OPEB</u>		
	<u>1,032,077.00</u>	<u>386,267.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 354,126,136.47</u>	<u>\$ 320,286,890.07</u>

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	171,520.43	150,624.89
ACC EXP - ST COMP ABSENCES	85,005.73	40,145.41
REFUNDS PAYABLE	-	-
	<u>256,526.16</u>	<u>190,770.30</u>
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	57,944.97	87,796.81
LEASE LIABILITY	81,372.00	119,266.00
DEFERRED INFLOW PENSION	4,224,777.00	10,040.00
NET PENSION LIABILITY	7,024,507.00	8,570,306.00
DEFERRED INFLOW OPEB	1,611,930.00	211,354.00
OPEB LIABILITY	428,379.00	1,381,308.00
	<u>13,428,909.97</u>	<u>10,380,070.81</u>
<u>TOTAL LIABILITIES</u>	<u>13,685,436.13</u>	<u>10,570,841.11</u>
<u>CAPITAL</u>		
RETAINED EARNINGS	323,160,023.59	304,798,002.43
NET INCOME	17,280,676.75	4,918,046.53
	<u>340,440,700.34</u>	<u>309,716,048.96</u>
<u>TOTAL LIABILITIES & CAPITAL</u>	<u>\$ 354,126,136.47</u>	<u>\$ 320,286,890.07</u>



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

	<u>August 31, 2024</u>	<u>August 31, 2023</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	17,106,548.71	16,227,665.47
ASSESSMENT PENALTY & INTEREST	68,245.21	13,688.53
OVERNIGHT INTEREST INCOME	85,193.34	2,893.32
INT/DIV INCOME ON INVESTMENTS	2,337,721.99	2,217,545.90
CHANGE IN FAIR VALUE ON INVESTMENTS	8,777,268.22	(2,120,483.13)
AUDIT REIMBURSEMENT	52,659.54	69,235.12
<u>TOTAL REVENUES</u>	<u>28,427,637.01</u>	<u>16,410,545.21</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	5,468,000.00	4,765,000.00
UEF TRANSFERS	1,000,000.00	1,100,000.00
SP FUND TRANSFERS FOR ADMIN	4,177,000.00	5,115,000.00
KOSH ADMIN. TRANSFER	116,000.00	125,000.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	4,673.80
INVESTMENT MANAGEMENT FEES	84,968.86	83,632.27
ASSESSMENT REFUNDS	0.00	713.02
PAYROLL EXPENSES	270,273.58	266,557.71
OPERATING EXPENSES	30,717.82	31,921.88
<u>TOTAL EXPENSES</u>	<u>11,146,960.26</u>	<u>11,492,498.68</u>
<u>NET INCOME</u>	<u>\$ 17,280,676.75</u>	<u>\$ 4,918,046.53</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Two Months Ended August 31, 2024
Fiscal Year 2025

AGENCY	Q1 July - Sept 24			Q2 Oct - Dec 24			Q3 Jan - March 25			Q4 April - June 25			FYTD 2025		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Labor Administration	\$4,177,000	\$11,641,750	-\$7,464,750	\$0	\$11,641,750	-\$11,641,750	\$0	\$11,641,750	-\$11,641,750	\$0	\$11,641,750	-\$11,641,750	\$4,177,000	\$46,567,000	-\$42,390,000
Labor Claims	\$5,468,000	\$7,750,000	-\$2,282,000	\$0	\$7,750,000	-\$7,750,000	\$0	\$7,750,000	-\$7,750,000	\$0	\$7,750,000	-\$7,750,000	\$5,468,000	\$31,000,000	-\$25,532,000
UEF	\$1,000,000	\$1,722,225	-\$722,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$1,000,000	\$6,888,900	-\$5,888,900
KOSH	\$116,000	\$202,275	-\$86,275	\$0	\$202,275	-\$202,275	\$0	\$202,275	-\$202,275	\$0	\$202,275	-\$202,275	\$116,000	\$809,100	-\$693,100
Funding Commission	\$201,000	\$653,150	-\$452,150	\$0	\$653,150	-\$653,150	\$0	\$653,150	-\$653,150	\$0	\$653,150	-\$653,150	\$201,000	\$2,612,600	-\$2,411,600
Total	\$10,962,000	\$21,969,400	-\$11,007,400	\$0	\$21,969,400	-\$21,969,400	\$0	\$21,969,400	-\$21,969,400	\$0	\$21,969,400	-\$21,969,400	\$10,962,000	\$87,877,600	-\$76,915,600



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

	Actual For Two Months	Budget For Two Months	Variance For Two Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	155,254.01	206,666.67	-51,412.66	75.1%
FICA	11,461.59	15,283.33	-3,821.74	75.0%
RETIREMENT	83,220.10	119,983.33	-36,763.23	69.4%
HEALTH INSURANCE	19,877.88	25,483.33	-5,605.45	78.0%
LIFE INSURANCE	20.00	50.00	-30.00	40.0%
WORKERS COMPENSATION	440.00	166.67	273.33	0.0%
INDIRECT COSTS	0.00	38,333.33	-38,333.33	0.0%
UNEMPLOYMENT PAY	0.00	166.67	-166.67	0.0%
ELECTRICITY	1,583.38	1,666.67	-83.29	95.0%
NATURAL GAS	97.39	1,000.00	-902.61	9.7%
COPY MACHINE RENTAL	1,009.97	833.33	176.64	121.2%
POSTAGE	760.60	1,166.67	-406.07	65.2%
ADVERTISING	0.00	166.67	-166.67	0.0%
PRINTING	0.00	166.67	-166.67	0.0%
GARBAGE	86.60	233.33	-146.73	37.1%
COMPUTER SOFTWARE	2,904.58	2,833.33	71.25	102.5%
MISC. SERVICES	287.98	1,166.67	-878.69	24.7%
OFFICE SUPPLIES	1,019.43	833.33	186.10	122.3%
IN-STATE-TRAVEL	0.00	833.33	-833.33	0.0%
OUT-OF-STATE TRAVEL	0.00	833.33	-833.33	0.0%
COMPUTER EQUIPMENT	0.00	666.67	-666.67	0.0%
LEGAL SERVICES	0.00	1,483.33	-1,483.33	0.0%
SUBSCRIPTIONS	816.00	500.00	316.00	163.2%
EMPLOYEE TRAINING	990.00	1,666.67	-676.67	59.4%
AUDIT SERVICES	0.00	6,333.33	-6,333.33	0.0%
RENT	10,722.63	22,000.00	-11,277.37	48.7%
SECURITY GUARD	0.00	500.00	-500.00	0.0%
MISC. EXPENSES	578.86	1,000.00	-421.14	57.9%
ACTUARIAL SERVICES	0.00	11,666.67	-11,666.67	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	5,500.00	-5,500.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	833.33	-833.33	0.0%
COT CHARGES	7,128.74	11,666.67	-4,537.93	61.1%
BOOKS DEPARTMENT USE	0.00	166.67	-166.67	0.0%
JANITORIAL	816.66	1,333.33	-516.67	61.2%
E-FILE CHARGES	1,915.00	1,666.67	248.33	114.9%
TOTAL EXPENSES	<u>300,991.40</u>	<u>484,850.00</u>	<u>-183,858.60</u>	<u>62.1%</u>