



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

October 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 September 30, 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 SEPTEMBER 30, 2024 AND 2023 (FOR COMPARISON)

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	4,476,756.98	6,124.79
ACCOUNTS RECEIVABLE	81,402.45	154,568.80
ASSESSMENT RECEIVABLE	16,944,861.05	16,186,931.28
RWAO KWFCF ADMN CASH ACCOUNT	28,250.43	53,174.73
	21,531,270.91	16,400,799.60
<u>FURNITURE, FIXTURES, EQUIPMENT</u>		
	6,332.00	
<u>INVESTMENTS</u>		
	325,623,506.42	290,612,061.09
BOOK VALUE - disclosure only, not included in totals, hold to maturity, no real loss	348,660,666.86	336,614,544.31
<u>LEASE RIGHT-OF-USE</u>		
	76,859.00	115,288.00
<u>DEFERRED OUTFLOW PENSION</u>		
	4,158,756.00	1,069,224.00
<u>DEFERRED OUTFLOW OPEB</u>		
	1,032,077.00	386,267.00
	\$ 352,428,801.33	\$ 308,583,639.69

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	-	-
	256,526.16	190,770.30
<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
	13,428,909.97	10,380,070.81
<u>TOTAL LIABILITIES</u>		
	13,685,436.13	10,570,841.11
<u>CAPITAL</u>		
RETAINED EARNINGS	323,160,023.59	304,798,002.43
NET INCOME	15,583,341.61	(6,785,203.85)
	338,743,365.20	298,012,798.58
<u>TOTAL LIABILITIES & CAPITAL</u>		
	\$ 352,428,801.33	\$ 308,583,639.69



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
THREE MONTHS ENDING SEPTEMBER 30, 2024 AND 2023 (FOR COMPARISON)

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	17,698,132.19	16,731,938.64
ASSESSMENT PENALTY & INTEREST	204,355.59	13,703.05
OVERNIGHT INTEREST INCOME	115,170.63	3,832.52
INT/DIV INCOME ON INVESTMENTS	3,539,648.60	3,355,475.17
CHANGE IN FAIR VALUE ON INVESTMENTS	11,741,340.02	(8,844,866.11)
AUDIT REIMBURSEMENT	62,273.06	73,668.04
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<u>TOTAL REVENUES</u>	<u>33,360,920.09</u>	<u>11,333,751.31</u>
 <u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	7,583,000.00	8,225,000.00
UEF TRANSFERS	2,000,000.00	1,400,000.00
SP FUND TRANSFERS FOR ADMIN	7,462,000.00	7,815,000.00
KOSH ADMIN. TRANSFER	182,000.00	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	396,799.83	400,038.85
OPERATING EXPENSES	68,809.79	64,897.22
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<u>TOTAL EXPENSES</u>	<u>17,777,578.48</u>	<u>18,118,955.16</u>
 <u>NET INCOME</u>	 <u>\$ 15,583,341.61</u>	 <u>\$ (6,785,203.85)</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
For Three Months Ended September 30, 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	\$7,462,000	\$11,641,750	-\$4,179,750	\$0	\$11,641,750	-\$11,641,750	\$0	\$11,641,750	-\$11,641,750	\$0	\$11,641,750	-\$11,641,750	\$7,462,000	\$46,567,000	-\$39,105,000
Labor Claims	\$7,583,000	\$7,750,000	-\$167,000	\$0	\$7,750,000	-\$7,750,000	\$0	\$7,750,000	-\$7,750,000	\$0	\$7,750,000	-\$7,750,000	\$7,583,000	\$31,000,000	-\$23,417,000
UEF	\$2,000,000	\$1,722,225	\$277,775	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$2,000,000	\$6,888,900	-\$4,888,900
KOSH	\$182,000	\$202,275	-\$20,275	\$0	\$202,275	-\$202,275	\$0	\$202,275	-\$202,275	\$0	\$202,275	-\$202,275	\$182,000	\$809,100	-\$627,100
Funding Commission	\$376,000	\$653,150	-\$277,150	\$0	\$653,150	-\$653,150	\$0	\$653,150	-\$653,150	\$0	\$653,150	-\$653,150	\$376,000	\$2,612,600	-\$2,236,600
Total	\$17,603,000	\$21,969,400	-\$4,366,400	\$0	\$21,969,400	-\$21,969,400	\$0	\$21,969,400	-\$21,969,400	\$0	\$21,969,400	-\$21,969,400	\$17,603,000	\$87,877,600	-\$70,274,600



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Three Months Ended September 30, 2024

	Actual For Three Months	Budget For Three Months	Variance For Three Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	229,924.75	310,000.00	-80,075.25	74.2%
FICA	16,966.18	22,925.00	-5,958.82	74.0%
RETIREMENT	119,622.08	179,975.00	-60,352.92	66.5%
HEALTH INSURANCE	29,816.82	38,225.00	-8,408.18	78.0%
LIFE INSURANCE	30.00	75.00	-45.00	40.0%
WORKERS COMPENSATION	440.00	250.00	190.00	176.0%
INDIRECT COSTS	29,789.63	57,500.00	-27,710.37	51.8%
UNEMPLOYMENT PAY	0.00	250.00	-250.00	0.0%
ELECTRICITY	2,328.69	2,500.00	-171.31	93.1%
NATURAL GAS	194.78	1,500.00	-1,305.22	13.0%
COPY MACHINE RENTAL	1,009.97	1,250.00	-240.03	80.8%
POSTAGE	764.65	1,750.00	-985.35	43.7%
ADVERTISING	0.00	250.00	-250.00	0.0%
PRINTING	0.00	250.00	-250.00	0.0%
GARBAGE	173.20	350.00	-176.80	49.5%
COMPUTER SOFTWARE	2,912.46	4,250.00	-1,337.54	68.5%
MISC. SERVICES	287.98	1,750.00	-1,462.02	16.5%
OFFICE SUPPLIES	1,068.56	1,250.00	-181.44	85.5%
IN-STATE-TRAVEL	0.00	1,250.00	-1,250.00	0.0%
OUT-OF-STATE TRAVEL	0.00	1,250.00	-1,250.00	0.0%
COMPUTER EQUIPMENT	190.00	1,000.00	-810.00	19.0%
LEGAL SERVICES	0.00	2,225.00	-2,225.00	0.0%
SUBSCRIPTIONS	2,448.00	750.00	1,698.00	326.4%
EMPLOYEE TRAINING	990.00	2,500.00	-1,510.00	39.6%
AUDIT SERVICES	0.00	9,500.00	-9,500.00	0.0%
RENT	10,722.63	22,000.00	-11,277.37	48.7%
SECURITY GUARD	0.00	750.00	-750.00	0.0%
MISC. EXPENSES	626.84	1,500.00	-873.16	41.8%
ACTUARIAL SERVICES	0.00	17,500.00	-17,500.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	8,250.00	-8,250.00	0.0%
FURN. & FIX. UNDER \$5000	0.00	1,250.00	-1,250.00	0.0%
COT CHARGES	11,613.57	17,500.00	-5,886.43	66.4%
BOOKS DEPARTMENT USE	0.00	250.00	-250.00	0.0%
JANITORIAL	1,661.83	2,000.00	-338.17	83.1%
E-FILE CHARGES	2,027.00	2,500.00	-473.00	81.1%
TOTAL EXPENSES	<u>465,609.62</u>	<u>716,275.00</u>	<u>-250,665.38</u>	<u>65.0%</u>