



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

December 8, 2025

Representative Josh Branscum, Chair
Representative Thomas Huff, Vice Chair
House Standing Committee on Economic Development and Workforce Investment
Capitol Annex
Frankfort, Kentucky 40601

Dear Committee Members:

Attached are October 31, 2025 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". The signature is fluid and cursive, with the first name "Kim" and last name "Hay" clearly visible.

Kim C. Hay
Director of Fiscal Operations

ENCLOSURES



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BALANCE SHEET
AS OF OCTOBER 31, 2025 AND OCTOBER 31, 2024 (FOR COMPARISON)

ASSETS

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	11,719,238.06	16,303,213.55
ACCOUNTS RECEIVABLE	74,054.14	81,402.45
ASSESSMENT RECEIVABLE	13,273,058.55	16,944,861.05
RWAO KWCFC ADMN CASH ACCOUNT	5,222.16	8,555.38
<u>TOTAL CURRENT ASSETS</u>	<u>25,071,572.91</u>	<u>33,338,032.43</u>
<u>FURNITURE, FIXTURES, EQUIPMENT</u>	<u>1,005.00</u>	<u>6,332.00</u>
<u>INVESTMENTS</u>	<u>335,846,134.99</u>	<u>319,595,298.33</u>
BOOK VALUE - disclosure only, not included in totals. hold to maturity, no real loss	358,204,137.22	348,856,267.92
<u>LEASE RIGHT-OF-USE</u>	<u>38,430.00</u>	<u>76,859.00</u>
<u>DEFERRED OUTFLOW PENSION</u>	<u>537,981.00</u>	<u>4,158,756.00</u>
<u>DEFERRED OUTFLOW OPEB</u>	<u>585,813.00</u>	<u>1,032,077.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 362,080,936.90</u>	<u>\$ 358,207,354.76</u>

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	157,786.84	171,520.43
ACC EXP - ST COMP ABSENCES	112,629.73	85,005.73
REFUNDS PAYABLE	-	-
<u>TOTAL CURRENT LIABILITIES</u>	<u>270,416.57</u>	<u>256,526.16</u>
<u>LONG TERM LIABILITIES</u>		
ACCRUED EXP - LT COMP ABSENCES	117,226.97	57,944.97
LEASE LIABILITY	43,478.00	81,372.00
DEFERRED INFLOW PENSION	532,512.00	4,224,777.00
NET PENSION LIABILITY	5,920,001.00	7,024,507.00
DEFERRED INFLOW OPEB	985,768.00	1,611,930.00
OPEB LIABILITY	349,065.00	428,379.00
<u>TOTAL LONG TERM LIABILITIES</u>	<u>7,948,050.97</u>	<u>13,428,909.97</u>
<u>TOTAL LIABILITIES</u>	<u>8,218,467.54</u>	<u>13,685,436.13</u>
<u>CAPITAL</u>		
RETAINED EARNINGS	340,769,878.39	323,160,023.59
NET INCOME	13,092,590.97	21,361,895.04
<u>TOTAL CAPITAL</u>	<u>353,862,469.36</u>	<u>344,521,918.63</u>
<u>TOTAL LIABILITIES & CAPITAL</u>	<u>\$ 362,080,936.90</u>	<u>\$ 358,207,354.76</u>



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
FOR FOUR MONTHS ENDED OCTOBER 31, 2025 AND 2024 (FOR COMPARISON)

	<u>October 31, 2025</u>	<u>October 31, 2024</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	27,386,717.42	34,761,492.77
ASSESSMENT PENALTY & INTEREST	3,319.27	204,355.59
OVERNIGHT INTEREST INCOME	74,800.49	136,294.64
INT/DIV INCOME ON INVESTMENTS	5,034,699.19	4,724,197.56
CHANGE IN FAIR VALUE ON INVESTMENTS	3,672,444.63	4,528,582.97
AUDIT REIMBURSEMENT	6,815.44	62,273.06
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<u>TOTAL REVENUES</u>	<u>36,178,796.44</u>	<u>44,417,196.59</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	9,608,000.00	9,869,000.00
UEF TRANSFERS	2,000,000.00	2,200,000.00
SP FUND TRANSFERS FOR ADMIN	10,558,000.00	10,034,000.00
KOSH ADMIN. TRANSFER	233,000.00	242,000.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	0.00
INVESTMENT MANAGEMENT FEES	89,175.73	84,968.86
ASSESSMENT REFUNDS	0.00	0.00
PAYROLL EXPENSES	497,492.53	523,326.13
OPERATING EXPENSES	100,537.21	102,006.56
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<u>TOTAL EXPENSES</u>	<u>23,086,205.47</u>	<u>23,055,301.55</u>
<u>NET INCOME</u>	<u>\$ 13,092,590.97</u>	<u>\$ 21,361,895.04</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
Four Months Ended October 31, 2025
Fiscal Year 2026

AGENCY	Q1 July - Sept 25			Q2 Oct - Dec 25			Q3 Jan - March 26			Q4 April - June 26			FYTD 2026		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Cabinet Administration	\$7,738,000	\$12,395,625	-\$4,657,625	\$2,820,000	\$12,395,625	-\$9,575,625	\$0	\$12,395,625	-\$12,395,625	\$0	\$12,395,625	-\$12,395,625	\$10,558,000	\$49,582,500	-\$39,024,500
Special Fund Claims	\$7,508,000	\$7,000,000	\$508,000	\$2,100,000	\$7,000,000	-\$4,900,000	\$0	\$7,000,000	-\$7,000,000	\$0	\$7,000,000	-\$7,000,000	\$9,608,000	\$28,000,000	-\$18,392,000
UEF	\$1,500,000	\$1,722,225	-\$222,225	\$500,000	\$1,722,225	-\$1,222,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$2,000,000	\$6,888,900	-\$4,888,900
KOSH	\$163,000	\$205,550	-\$42,550	\$70,000	\$205,550	-\$135,550	\$0	\$205,550	-\$205,550	\$0	\$205,550	-\$205,550	\$233,000	\$822,200	-\$589,200
Funding Commission	\$446,000	\$687,750	-\$241,750	\$145,000	\$687,750	-\$542,750	\$0	\$687,750	-\$687,750	\$0	\$687,750	-\$687,750	\$591,000	\$2,751,000	-\$2,160,000
Total	\$17,355,000	\$22,011,150	-\$4,656,150	\$5,635,000	\$22,011,150	-\$16,376,150	\$0	\$22,011,150	-\$22,011,150	\$0	\$22,011,150	-\$22,011,150	\$22,990,000	\$88,044,600	-\$65,054,600



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Four Months Ended October 31, 2025

	Actual For Four Months	Budget For Four Months	Variance For Four Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	303,591.05	446,666.67	-143,075.62	68.0%
FICA	22,321.24	32,833.33	-10,512.09	68.0%
RETIREMENT	131,579.34	204,203.33	-72,623.99	64.4%
HEALTH INSURANCE	39,521.90	50,966.67	-11,444.77	77.5%
LIFE INSURANCE	39.00	100.00	-61.00	39.0%
WORKERS COMPENSATION	440.00	333.33	106.67	132.0%
INDIRECT COSTS	41,645.38	65,333.33	-23,687.95	63.7%
UNEMPLOYMENT PAY	0.00	333.33	-333.33	0.0%
ELECTRICITY	3,033.17	3,333.33	-300.16	91.0%
NATURAL GAS	537.69	2,000.00	-1,462.31	26.9%
COPY MACHINE RENTAL	679.79	1,666.67	-986.88	40.8%
POSTAGE	1,477.68	3,000.00	-1,522.32	49.3%
ADVERTISING	0.00	333.33	-333.33	0.0%
PRINTING	35.00	333.33	-298.33	10.5%
GARBAGE	186.96	466.67	-279.71	40.1%
COMPUTER SOFTWARE	3,855.46	10,496.67	-6,641.21	36.7%
MISC. SERVICES	2,799.75	10,000.00	-7,200.25	28.0%
OFFICE SUPPLIES	302.69	5,666.67	-5,363.98	5.3%
IN-STATE-TRAVEL	16.13	1,666.67	-1,650.54	1.0%
OUT-OF-STATE TRAVEL	0.00	1,666.67	-1,666.67	0.0%
COMPUTER EQUIPMENT	159.65	2,666.67	-2,507.02	6.0%
LEGAL SERVICES	0.00	2,966.67	-2,966.67	0.0%
SUBSCRIPTIONS	725.20	1,000.00	-274.80	72.5%
EMPLOYEE TRAINING	0.00	3,333.33	-3,333.33	0.0%
AUDIT SERVICES	0.00	14,000.00	-14,000.00	0.0%
RENT	21,445.26	24,000.00	-2,554.74	89.4%
SECURITY GUARD	0.00	1,000.00	-1,000.00	0.0%
MISC. EXPENSES	1,351.63	4,000.00	-2,648.37	33.8%
ACTUARIAL SERVICES	0.00	40,000.00	-40,000.00	0.0%
PUBLIC OFFICIALS INSURANCE	0.00	11,333.33	-11,333.33	0.0%
FURN. & FIX. UNDER \$5000	856.83	8,333.33	-7,476.50	10.3%
COT CHARGES	18,223.95	23,333.33	-5,109.38	78.1%
BOOKS DEPARTMENT USE	0.00	333.33	-333.33	0.0%
JANITORIAL	1,224.99	2,666.67	-1,441.68	45.9%
E-FILE CHARGES	1,980.00	3,333.33	-1,353.33	59.4%
TOTAL EXPENSES	<u>598,029.74</u>	<u>983,700.00</u>	<u>-385,670.26</u>	<u>60.8%</u>