



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

February 17, 2026

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 December 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".

Kim C. Hay
Director of Fiscal Operations

ENCLOSURES



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

ASSETS

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	2,447,342.04	6,638,024.00
ACCOUNTS RECEIVABLE	74,054.14	81,402.45
ASSESSMENT RECEIVABLE	13,273,058.55	16,944,861.05
RWAO KWCFC ADMN CASH ACCOUNT	6,808.63	21,259.19
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<u>TOTAL CURRENT ASSETS</u>	15,801,263.36	23,685,546.69
<u>FURNITURE, FIXTURES, EQUIPMENT</u>		
	1,005.00	6,332.00
<u>INVESTMENTS</u>		
	337,476,589.33	318,861,428.05
BOOK VALUE - disclosure only, not included in totals, hold to maturity, no real loss	360,675,735.28	351,163,593.16
<u>LEASE RIGHT-OF-USE</u>	38,430.00	76,859.00
<u>DEFERRED OUTFLOW PENSION</u>		
	537,981.00	4,158,756.00
<u>DEFERRED OUTFLOW OPEB</u>		
	585,813.00	1,032,077.00
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<u>TOTAL ASSETS</u>	\$ 354,441,081.69	\$ 347,820,998.74
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<u>LIABILITIES AND CAPITAL</u>		
<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	-	-
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<u>TOTAL CURRENT LIABILITIES</u>	270,416.57	256,526.16
<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
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<u>TOTAL LONG TERM LIABILITIES</u>	7,948,050.97	13,428,909.97
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<u>TOTAL LIABILITIES</u>	8,218,467.54	13,685,436.13
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<u>CAPITAL</u>		
RETAINED EARNINGS	340,769,878.39	323,160,023.59
NET INCOME	5,452,735.76	10,975,539.02
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<u>TOTAL CAPITAL</u>	346,222,614.15	334,135,562.61
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<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 354,441,081.69	\$ 347,820,998.74
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KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
FOR SIX MONTHS ENDED DECEMBER 31, 2025 AND 2024 (FOR COMPARISON)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	28,147,670.68	35,664,701.79
ASSESSMENT PENALTY & INTEREST	34,474.82	204,496.99
OVERNIGHT INTEREST INCOME	120,834.09	222,939.37
INT/DIV INCOME ON INVESTMENTS	7,570,354.86	7,134,943.33
CHANGE IN FAIR VALUE ON INVESTMENTS	2,856,946.58	1,471,071.29
AUDIT REIMBURSEMENT	34,357.87	75,742.68
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<u>TOTAL REVENUES</u>	<u>38,764,638.90</u>	<u>44,773,895.45</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	13,526,000.00	14,269,000.00
UEF TRANSFERS	2,500,000.00	3,200,000.00
SP FUND TRANSFERS FOR ADMIN	15,869,000.00	14,789,000.00
KOSH ADMIN. TRANSFER	334,000.00	343,000.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	0.00
INVESTMENT MANAGEMENT FEES	178,879.01	172,073.23
ASSESSMENT REFUNDS	0.00	0.00
PAYROLL EXPENSES	732,036.77	776,378.73
OPERATING EXPENSES	171,987.36	248,904.47
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<u>TOTAL EXPENSES</u>	<u>33,311,903.14</u>	<u>33,798,356.43</u>
<u>NET INCOME</u>	<u>\$ 5,452,735.76</u>	<u>\$ 10,975,539.02</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
Six Months Ended December 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	\$8,131,000	\$12,395,625	-\$4,264,625	\$0	\$12,395,625	-\$12,395,625	\$0	\$12,395,625	-\$12,395,625	\$15,869,000	\$49,582,500	-\$33,713,500
Special Fund Claims	\$7,508,000	\$7,000,000	\$508,000	\$6,018,000	\$7,000,000	-\$982,000	\$0	\$7,000,000	-\$7,000,000	\$0	\$7,000,000	-\$7,000,000	\$13,526,000	\$28,000,000	-\$14,474,000
UEF	\$1,500,000	\$1,722,225	-\$222,225	\$1,000,000	\$1,722,225	-\$722,225	\$0	\$1,722,225	-\$1,722,225	\$0	\$1,722,225	-\$1,722,225	\$2,500,000	\$6,888,900	-\$4,388,900
KOSH	\$163,000	\$205,550	-\$42,550	\$171,000	\$205,550	-\$34,550	\$0	\$205,550	-\$205,550	\$0	\$205,550	-\$205,550	\$334,000	\$822,200	-\$488,200
Funding Commission	\$446,000	\$687,750	-\$241,750	\$425,000	\$687,750	-\$262,750	\$0	\$687,750	-\$687,750	\$0	\$687,750	-\$687,750	\$871,000	\$2,751,000	-\$1,880,000
Total	\$17,355,000	\$22,011,150	-\$4,656,150	\$15,745,000	\$22,011,150	-\$6,266,150	\$0	\$22,011,150	-\$22,011,150	\$0	\$22,011,150	-\$22,011,150	\$33,100,000	\$88,044,600	-\$54,944,600



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

	Actual For Six Months	Budget For Six Months	Variance For Six Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	447,510.13	670,000.00	-222,489.87	66.8%
FICA	32,889.92	49,250.00	-16,360.08	66.8%
RETIREMENT	193,121.22	306,305.00	-113,183.78	63.0%
HEALTH INSURANCE	58,018.50	76,450.00	-18,431.50	75.9%
LIFE INSURANCE	57.00	150.00	-93.00	38.0%
WORKERS COMPENSATION	440.00	500.00	-60.00	88.0%
INDIRECT COSTS	64,196.67	98,000.00	-33,803.33	65.5%
UNEMPLOYMENT PAY	0.00	500.00	-500.00	0.0%
ELECTRICITY	4,317.15	5,000.00	-682.85	86.3%
NATURAL GAS	1,018.29	3,000.00	-1,981.71	33.9%
COPY MACHINE RENTAL	1,066.00	2,500.00	-1,434.00	42.6%
POSTAGE	1,504.15	4,500.00	-2,995.85	33.4%
ADVERTISING	0.00	500.00	-500.00	0.0%
PRINTING	35.00	500.00	-465.00	7.0%
GARBAGE	280.44	700.00	-419.56	40.1%
COMPUTER SOFTWARE	3,855.46	15,745.00	-11,889.54	24.5%
MISC. SERVICES	8,264.12	15,000.00	-6,735.88	55.1%
OFFICE SUPPLIES	529.24	8,500.00	-7,970.76	6.2%
IN-STATE-TRAVEL	16.13	2,500.00	-2,483.87	0.6%
OUT-OF-STATE TRAVEL	0.00	2,500.00	-2,500.00	0.0%
COMPUTER EQUIPMENT	337.79	4,000.00	-3,662.21	8.4%
LEGAL SERVICES	0.00	4,450.00	-4,450.00	0.0%
SUBSCRIPTIONS	725.20	1,500.00	-774.80	48.3%
EMPLOYEE TRAINING	339.15	5,000.00	-4,660.85	6.8%
AUDIT SERVICES	0.00	21,000.00	-21,000.00	0.0%
RENT	21,445.26	36,000.00	-14,554.74	59.6%
SECURITY GUARD	0.00	1,500.00	-1,500.00	0.0%
MISC. EXPENSES	2,987.88	6,000.00	-3,012.12	49.8%
ACTUARIAL SERVICES	0.00	60,000.00	-60,000.00	0.0%
PUBLIC OFFICIALS INSURANCE	25,857.20	17,000.00	8,857.20	152.1%
FURN. & FIX. UNDER \$5000	0.00	12,500.00	-12,500.00	0.0%
COT CHARGES	29,420.58	35,000.00	-5,579.42	84.1%
BOOKS DEPARTMENT USE	0.00	500.00	-500.00	0.0%
JANITORIAL	2,041.65	4,000.00	-1,958.35	51.0%
E-FILE CHARGES	3,750.00	5,000.00	-1,250.00	75.0%
TOTAL EXPENSES	<u>904,024.13</u>	<u>1,475,550.00</u>	<u>-571,525.87</u>	<u>61.3%</u>