



WORKERS' COMPENSATION FUNDING COMMISSION

Andy Beshear
Governor

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Lisa Gilreath-King
Executive Director

August 26, 2026

Senator Christian McDaniel, Co-Chair
Representative Jason Petrie, Co-Chair
Interim Joint Committee
Appropriations and Revenue
Capitol Annex
Frankfort, Kentucky 40601

Dear Committee Members:

Attached are June 30, 2026, 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 JUNE 30, 2026 AND 2025 (FOR COMPARISON)

ASSETS

	<u>2026</u>	<u>2025</u>
<u>CURRENT ASSETS</u>		
RWBO SPECIAL FUND CASH ACCOUNT	1,902,599.44	2,244,484.51
ACCOUNTS RECEIVABLE	74,054.14	81,402.45
ASSESSMENT RECEIVABLE	13,273,058.55	16,944,861.05
RWAO KWCFC ADMN CASH ACCOUNT	46,379.90	6,357.83
<u>TOTAL CURRENT ASSETS</u>	15,296,092.03	19,277,105.84
<u>FURNITURE, FIXTURES, EQUIPMENT</u>	20,135.00	6,332.00
<u>INVESTMENTS</u>	335,903,878.70	332,228,166.90
BOOK VALUE - disclosure only, not included in totals	353,469,521.89	359,225,759.11
<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
<u>TOTAL ASSETS</u>	\$ 352,382,329.73	\$ 356,779,296.74

LIABILITIES AND CAPITAL

<u>CURRENT LIABILITIES</u>		
ACCRUED EXPENSES	157,786.84	152,825.23
ACC EXP - ST COMP ABSENCES	112,629.73	85,005.73
REFUNDS PAYABLE	-	-
<u>TOTAL CURRENT LIABILITIES</u>	270,416.57	237,830.96
<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>	7,948,050.97	13,428,909.97
<u>TOTAL LIABILITIES</u>	8,218,467.54	13,666,740.93
<u>CAPITAL</u>		
RETAINED EARNINGS	340,769,878.39	323,160,023.59
NET INCOME	3,393,983.80	19,952,532.22
<u>TOTAL CAPITAL</u>	344,163,862.19	343,112,555.81
<u>TOTAL LIABILITIES & CAPITAL</u>	\$ 352,382,329.73	\$ 356,779,296.74



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
INCOME STATEMENT
FOR TWELVE MONTHS ENDED JUNE 30, 2026 AND 2025 (FOR COMPARISON)

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
<u>REVENUES</u>		
ASSESSMENT RECEIPTS	53,896,241.11	65,060,717.42
ASSESSMENT PENALTY & INTEREST	540,950.93	793,585.18
OVERNIGHT INTEREST INCOME	205,582.60	404,401.71
INT/DIV INCOME ON INVESTMENTS	15,217,196.64	14,506,802.98
AMORTIZATION/ACCRETION ON PREMIUM/DISCOUNT	(9,597,605.22)	0.00
CHANGE IN FAIR VALUE ON INVESTMENTS	8,336,810.15	7,675,467.79
AUDIT REIMBURSEMENT	504,533.27	337,184.09
<u>TOTAL REVENUES</u>	<u>69,103,709.48</u>	<u>88,778,159.17</u>
<u>EXPENSES</u>		
SP FUND TRANSFERS FOR CLAIMS	25,690,000.00	28,259,000.00
UEF TRANSFERS	5,500,000.00	6,350,000.00
SP FUND TRANSFERS FOR ADMIN	31,550,000.00	30,757,000.00
KOSH ADMIN. TRANSFER	715,000.00	690,500.00
CUSTODY FEE EXPENSE-STATE STREET	0.00	14,963.73
INVESTMENT MANAGEMENT FEES	280,689.77	347,931.60
ASSESSMENT REFUNDS	52,772.38	354,102.52
PAYROLL EXPENSES	1,447,936.93	1,536,331.01
OPERATING EXPENSES	473,326.60	515,798.09
<u>TOTAL EXPENSES</u>	<u>65,709,725.68</u>	<u>68,825,626.95</u>
<u>NET INCOME</u>	<u>\$ 3,393,983.80</u>	<u>\$ 19,952,532.22</u>



FUNDING TO AGENCIES BY QUARTER (Actual to Budget)
Twelve Months Ended June 30, 2026
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	\$7,678,000	\$12,395,625	-\$4,717,625	\$8,003,000	\$12,395,625	-\$4,392,625	\$31,550,000	\$49,582,500	-\$18,032,500
Special Fund Claims	\$7,508,000	\$7,000,000	\$508,000	\$6,018,000	\$7,000,000	-\$982,000	\$6,402,000	\$7,000,000	-\$598,000	\$5,762,000	\$7,000,000	-\$1,238,000	\$25,690,000	\$28,000,000	-\$2,310,000
UEF	\$1,500,000	\$1,722,225	-\$222,225	\$1,000,000	\$1,722,225	-\$722,225	\$1,500,000	\$1,722,225	-\$222,225	\$1,500,000	\$1,722,225	-\$222,225	\$5,500,000	\$6,888,900	-\$1,388,900
KOSH	\$163,000	\$205,550	-\$42,550	\$171,000	\$205,550	-\$34,550	\$177,000	\$205,550	-\$28,550	\$204,000	\$205,550	-\$1,550	\$715,000	\$822,200	-\$107,200
Funding Commission	\$446,000	\$687,750	-\$241,750	\$425,000	\$687,750	-\$262,750	\$532,000	\$687,750	-\$155,750	\$73,000	\$687,750	-\$614,750	\$1,476,000	\$2,751,000	-\$1,275,000
Total	\$17,355,000	\$22,011,150	-\$4,656,150	\$15,745,000	\$22,011,150	-\$6,266,150	\$16,289,000	\$22,011,150	-\$5,722,150	\$15,542,000	\$22,011,150	-\$6,469,150	\$64,931,000	\$88,044,600	-\$23,113,600



KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
Statement of Expenses (Actual to Budget)
For Twelve Months Ended June 30, 2026

	Actual For Twelve Months	Budget For Twelve Months	Variance For Twelve Months	Actual as % of Budget
EXPENSES:				
WAGES AND SALARIES	879,281.77	1,340,000.00	-460,718.23	65.6%
FICA	64,455.60	98,500.00	-34,044.40	65.4%
RETIREMENT	377,746.86	612,610.00	-234,863.14	61.7%
HEALTH INSURANCE	125,901.70	152,900.00	-26,998.30	82.3%
LIFE INSURANCE	111.00	300.00	-189.00	37.0%
WORKERS COMPENSATION	440.00	1,000.00	-560.00	44.0%
INDIRECT COSTS	151,263.43	196,000.00	-44,736.57	77.2%
UNEMPLOYMENT PAY	0.00	1,000.00	-1,000.00	0.0%
ELECTRICITY	9,045.22	10,000.00	-954.78	90.5%
NATURAL GAS	4,262.39	6,000.00	-1,737.61	71.0%
COPY MACHINE RENTAL	4,497.76	5,000.00	-502.24	90.0%
POSTAGE	4,784.63	9,000.00	-4,215.37	53.2%
ADVERTISING	0.00	1,000.00	-1,000.00	0.0%
PRINTING	35.00	1,000.00	-965.00	3.5%
GARBAGE	607.62	1,400.00	-792.38	43.4%
COMPUTER SOFTWARE	12,613.72	31,490.00	-18,876.28	40.1%
MISC. SERVICES	11,727.56	26,000.00	-14,272.44	45.1%
OFFICE SUPPLIES	1,269.92	17,000.00	-15,730.08	7.5%
IN-STATE-TRAVEL	16.13	5,000.00	-4,983.87	0.3%
OUT-OF-STATE TRAVEL	4,297.26	5,000.00	-702.74	85.9%
COMPUTER EQUIPMENT	729.30	8,000.00	-7,270.70	9.1%
LEGAL SERVICES	0.00	8,900.00	-8,900.00	0.0%
SUBSCRIPTIONS	725.20	3,000.00	-2,274.80	24.2%
EMPLOYEE TRAINING	3,412.75	10,000.00	-6,587.25	34.1%
AUDIT SERVICES	32,209.00	42,000.00	-9,791.00	76.7%
RENT	42,890.52	72,000.00	-29,109.48	59.6%
SECURITY GUARD	0.00	3,000.00	-3,000.00	0.0%
MISC. EXPENSES	11,047.75	16,000.00	-4,952.25	69.0%
ACTUARIAL SERVICES	74,256.00	120,000.00	-45,744.00	61.9%
PUBLIC OFFICIALS INSURANCE	25,857.20	34,000.00	-8,142.80	76.1%
FURN. & FIX. UNDER \$5000	0.00	25,000.00	-25,000.00	0.0%
COT CHARGES	64,515.39	70,000.00	-5,484.61	92.2%
BOOKS DEPARTMENT USE	0.00	1,000.00	-1,000.00	0.0%
JANITORIAL	5,287.85	8,000.00	-2,712.15	66.1%
E-FILE CHARGES	7,975.00	10,000.00	-2,025.00	79.8%
TOTAL EXPENSES	1,921,263.53	2,951,100.00	-1,029,836.47	65.1%