

Department for Local Government Special Purpose Governmental Entity (SPGE) Program

Interim Joint Committee on Local Government

October 2026

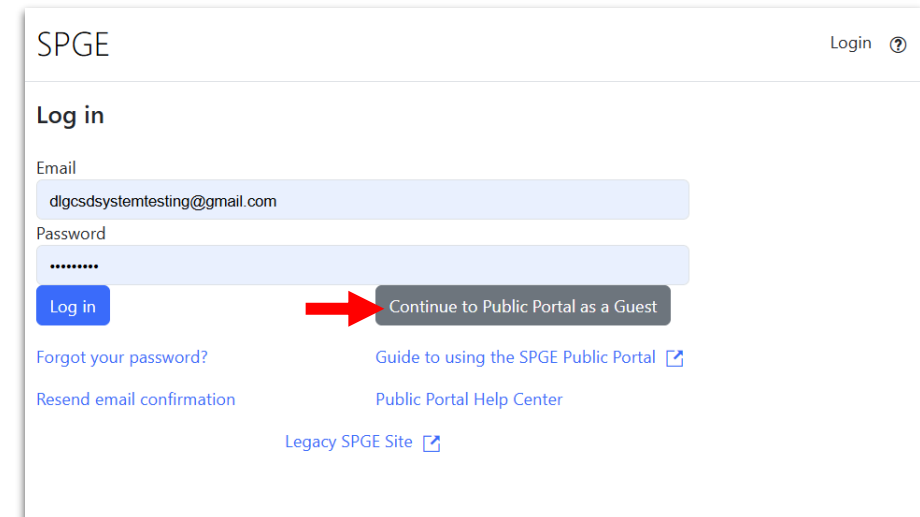
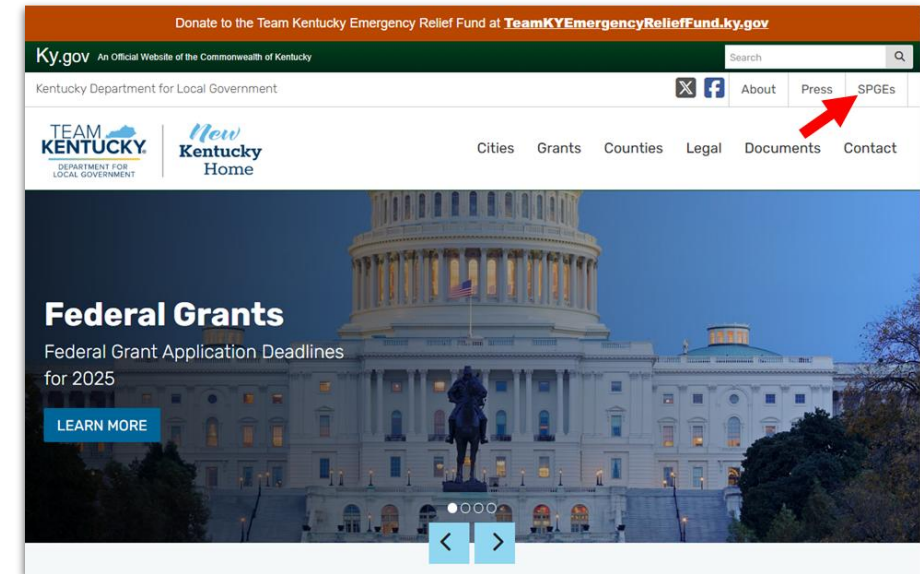
Overview

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SPGE Reporting Requirements and Public Access

SPGE Reporting Requirements and Public Access

- All Special Purpose Governmental Entities (SPGEs) are required to submit documents mandated by KRS Chapter 65A through the SPGE Portal.
- Submitted documents are available for public viewing through the SPGE Public Portal. No user account or login is required.
- **To Access the Public Portal:**
 1. Visit the Department for Local Government (DLG) website at <https://dlg.ky.gov>.
 2. Click the **SPGE** icon.
 3. Select **Continue to Public Portal as a Guest** to view submitted documents.



LRC Annual Compliance Report

Status Summary

Status	Count	Percentage
273 Exempt	431	21.68%
75 Exempt	33	1.66%
Active	1403	70.57%
Hold	30	1.51%
Process - Dissolution	4	0.20%
Process - Merged	2	0.10%
Process - New Found	1	0.05%
Result - Dissolved	57	2.87%
Result - Merged	27	1.36%

Data as of September 29, 2026, 3:16 PM ET

Overall Task Compliance

Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
87.95%	12.05%	1234	169

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Task Compliance by Fiscal Year

Fiscal Year	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
2014	100.00%	0.00%	1	0
2015	99.92%	0.08%	1265	1
2016	99.92%	0.08%	1278	1
2017	99.85%	0.15%	1292	2
2018	99.85%	0.15%	1311	2
2019	99.62%	0.38%	1312	5
2020	99.62%	0.38%	1321	5
2021	99.48%	0.52%	1340	7
2022	99.41%	0.59%	1352	8
2023	99.20%	0.80%	1372	11
2024	98.99%	1.01%	1377	14
2025	98.21%	1.79%	1373	25
2026	88.17%	11.83%	1237	166
2027	93.29%	6.71%	1167	84

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Task Compliance by District Type (A-D)

District Type	Non-Compliant (%)	Compliant (%)	Compliant (#)	Non-Compliant (#)
Agricultural Extension	0.00%	100.00%	120	0
Air Board	17.78%	82.22%	37	8
Ambulance	23.81%	76.19%	32	10
Area Development	13.33%	86.67%	13	2
Area Planning Commission	0.00%	100.00%	16	0
Cable Commission	33.33%	66.67%	2	1
Cemetery	0.00%	100.00%	1	0
Community Action Corporation	8.70%	91.30%	21	2
Community Correction Advisory	0.00%	100.00%	1	0
Community Improvement	0.00%	100.00%	5	0
Courthouse Commission	0.00%	100.00%	1	0
Drainage and Levee	100.00%	0.00%	0	1

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Task Compliance by District Type (E-O)

District Type	Non-Compliant (%)	Compliant (%)	Compliant (#)	Non-Compliant (#)
Emergency Telephone Service	16.67%	83.33%	10	2
Fire Protection	22.73%	77.27%	68	20
Flood Control	0.00%	100.00%	1	0
Hospital	0.00%	100.00%	7	0
Housing Authority	2.11%	97.89%	93	2
Human Rights Commission	0.00%	100.00%	1	0
Industrial Development Authority/Economic Development	25.47%	74.53%	79	27
Landbank Authority	0.00%	100.00%	1	0
Library	4.46%	95.54%	107	5
Mass Transit Authority	0.00%	100.00%	7	0
Mental Health	0.00%	100.00%	10	0
Other	42.86%	57.14%	4	3

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Task Compliance by District Type (P-R)

District Type	Non-Compliant (%)	Compliant (%)	Compliant (#)	Non-Compliant (#)
Parks and Recreation	40.00%	60.00%	9	6
Public Health	6.03%	93.97%	109	7
Public Health (Fee Exemption)	13.79%	86.21%	50	8
Public Utilities (With Components)	15.38%	84.62%	11	2
Public Utilities (Without Components)	0.00%	100.00%	1	0
Recycling	0.00%	100.00%	1	0
Regional Jail	33.33%	66.67%	2	1
Rescue Squad	33.33%	66.67%	10	5
Riverport Authority	20.00%	80.00%	8	2
Road District	33.33%	66.67%	2	1

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Task Compliance by District Type (S-W)

District Type	Non-Compliant (%)	Compliant (%)	Compliant (#)	Non-Compliant (#)
Sanitation District	19.23%	80.77%	21	5
Sewer District	33.33%	66.67%	6	3
Soil and Water Conservation	2.54%	97.46%	115	3
Solid Waste Management	0.00%	100.00%	6	0
Tourist and Convention	29.41%	70.59%	84	35
TVA Municipal Utilities (With components)	28.57%	71.43%	5	2
TVA Municipal Utilities (Without Components)	50.00%	50.00%	2	2
Utility Provider (Combined)	0.00%	100.00%	2	0
Water Commission	0.00%	100.00%	8	0
Water District	1.80%	98.20%	109	2
Watershed Conservancy	5.26%	94.74%	36	2

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Task Compliance by Cycle

Cycle	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
Jan-Dec	98.54%	1.46%	135	2
Apr-Mar	100.00%	0.00%	40	0
Jul-Jun	86.21%	13.79%	1044	167
Oct-Sep	100.00%	0.00%	15	0

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Overall Audit Summary

Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
90.09%	9.91%	1264	139

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Audit Compliance by Fiscal Year

Fiscal Year	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
2015	99.21%	0.79%	1255	10
2016	98.83%	1.17%	1264	15
2017	99.07%	0.93%	1283	12
2018	97.64%	2.36%	1283	31
2019	98.94%	1.06%	1304	14
2020	98.79%	1.21%	1311	16
2021	98.59%	1.41%	1328	19
2022	97.28%	2.72%	1324	37
2023	97.90%	2.10%	1354	29
2024	97.41%	2.59%	1356	36
2025	93.85%	6.15%	1312	86
2026	99.36%	0.64%	1394	9
2027	99.28%	0.72%	1242	9

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Audit Compliance by District Type (A-D)

District Type	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
Agricultural Extension	97.50%	2.50%	117	3
Air Board	80.00%	20.00%	36	9
Ambulance	78.57%	21.43%	33	9
Area Development	100.00%	0.00%	15	0
Area Planning Commission	100.00%	0.00%	16	0
Cable Commission	100.00%	0.00%	3	0
Cemetery	100.00%	0.00%	1	0
Community Action Corporation	95.65%	4.35%	22	1
Community Correction Advisory	100.00%	0.00%	1	0
Community Improvement	60.00%	40.00%	3	2
Courthouse Commission	0.00%	100.00%	0	1
Drainage and Levee	0.00%	100.00%	0	1

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Audit Compliance by District Type (E-O)

District Type	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
Emergency Telephone Service	83.33%	16.67%	10	2
Fire Protection	87.50%	12.50%	77	11
Flood Control	100.00%	0.00%	1	0
Hospital	100.00%	0.00%	7	0
Housing Authority	100.00%	0.00%	95	0
Human Rights Commission	100.00%	0.00%	1	0
Industrial Development Authority/Economic Development	80.19%	19.81%	85	21
Landbank Authority	100.00%	0.00%	1	0
Library	93.75%	6.25%	105	7
Mass Transit Authority	100.00%	0.00%	7	0
Mental Health	100.00%	0.00%	10	0
Other	57.14%	42.86%	4	3

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Audit Compliance by District Type (P-R)

District Type	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
Parks and Recreation	60.00%	40.00%	9	6
Public Health	96.55%	3.45%	112	4
Public Health (Fee Exemption)	96.55%	3.45%	56	2
Public Utilities (With Components)	92.31%	7.69%	12	1
Public Utilities (Without Components)	100.00%	0.00%	1	0
Recycling	100.00%	0.00%	1	0
Regional Jail	66.67%	33.33%	2	1
Rescue Squad	53.33%	46.67%	8	7
Riverport Authority	100.00%	0.00%	10	0
Road District	100.00%	0.00%	3	0

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Audit Compliance by District Type (S-W)

District Type	Compliant (%)	Non-Compliant (%)	Compliant (#)	Non-Compliant (#)
Sanitation District	80.77%	19.23%	21	5
Sewer District	77.78%	22.22%	7	2
Soil and Water Conservation	99.15%	0.85%	117	1
Solid Waste Management	83.33%	16.67%	5	1
Tourist and Convention	76.47%	23.53%	91	28
TVA Municipal Utilities (With components)	100.00%	0.00%	7	0
TVA Municipal Utilities (Without Components)	100.00%	0.00%	4	0
Utility Provider (Combined)	100.00%	0.00%	2	0
Water Commission	75.00%	25.00%	6	2
Water District	94.59%	5.41%	105	6
Watershed Conservancy	92.11%	7.89%	35	3

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Planned Changes Regarding 2026 SB 133

Summary of 2026 SB 133 Changes

Effective July 1, 2027

- KRS 65A.010
 - Amended to exclude from the definition of a special purpose governmental entity (SPGE) a local industrial development authority established under KRS 154.50-301 to 154.50-346 if the authority's funds are audited as part of the budget of the applicable establishing entity.
- KRS 65A.030
 - Amended to increase the financial reporting thresholds for SPGEs.
 - Allows an SPGE otherwise required to obtain an annual audit to move to an audit once every four years after receiving two consecutive audit reports with unqualified opinions.
 - Requires an SPGE using the alternative four-year audit schedule to notify DLG that it has elected to operate under the alternative schedule.
 - Requires an SPGE operating under the alternative schedule to return to annual audits if a subsequent audit results in an opinion other than an unqualified opinion.
- KRS 65A.032
 - Creates a new section of KRS Chapter 65A establishing an agreed-upon procedures (AUP) engagement option for qualifying SPGEs.
 - Establishes the requirements and process for an eligible SPGE to elect an AUP engagement in place of an otherwise required audit.

How DLG Plans to Implement the Changes

Effective July 1, 2027

KRS 65A.010 – Industrial Development Authority (IDA) Exemption

- Qualifying IDAs may submit an exemption form and supporting documentation to DLG for review.
- IDAs approved for the exemption will be designated as Exempt in the SPGE Portal and will no longer be required to report to DLG beginning with fiscal year 2028.

KRS 65A.030 and KRS 65A.032 – Audit and AUP Requirements

- The SPGE Portal will be updated to incorporate the new financial reporting thresholds, alternative four-year audit schedule, and agreed-upon procedures (AUP) option.
- DLG will update applicable portal processes, guidance, and reporting requirements to reflect the new statutory requirements effective July 1, 2027.
- **Note:** An **Audit Review Workbasket** was added to the SPGE Portal in January 2026, allowing DLG to review submitted audits for compliance with applicable statutory requirements.

KRS 65A.010 Current Audit Thresholds

These remain in effect until the July 1, 2027 changes apply

**Less than
\$100K**

Attestation every 4 years

**\$100K to less
than \$500K**

Independent audit every 4 years

\$500K+

Annual audit

Audit requirement is based on the higher of total annual receipts or expenditures for the current year. The threshold can change from year to year.

KRS 65A.010 New Audit Thresholds

Effective July 1, 2027

**Less than
\$500K**

Attestation every 4 years

AUP not optional

**\$500K – less
than \$1M**

Audit every 4 years

AUP may be optional

\$1M+

Annual audit

**Reduced audit schedule and AUP
may be optional**

**Reduced audit schedule subject to statutory conditions in KRS 65A.030.
AUP subject to statutory conditions in KRS 65A.032.**

Reduced Audit Schedule and AUP Option

Effective July 1, 2027

KRS 65A.030 – Audit Requirements

- A Special Purpose Governmental Entity (SPGE) subject to annual audits may elect the four-year audit schedule after two consecutive audits with only unqualified opinions. The SPGE must inform the Department for Local Government (DLG).
- If a later audit includes an opinion other than an unqualified opinion, annual audits resume until the SPGE again has two consecutive audits with only unqualified opinions.

KRS 65A.032 – AUP Requirements

- A SPGE required to complete an audit may elect an agreed-upon procedures (AUP) engagement in lieu of the audit for a fiscal year, if it meets all conditions in KRS 65A.032 and DLG does not object.
- Among other conditions, the SPGE must have received and expended less than \$15 million for that fiscal year and must submit the required written certification to DLG within 30 days after the fiscal year ends.

First Audits Affected by the New Thresholds

- Since the new **KRS 65A.030 audit thresholds** take effect **July 1, 2027**, they will first apply to fiscal years **beginning on or after July 1, 2027**. Based on each SPGE reporting cycle, the first affected fiscal years are:

Cycle	First fiscal year beginning on or after 7/1/2027	First audit affected by new thresholds	Audit due
Cycle 1 – January	Jan. 1 2028 – Dec. 31, 2028	FY 2028	Dec. 31, 2029
Cycle 2 – April	Apr. 1, 2028 – Mar. 31, 2029	FY 2029	Mar. 31, 2030
Cycle 3 – July	July 1, 2027– June 30, 2028	FY 2028	June 30, 2029
Cycle 4 – October	Oct. 1, 2027– Sept. 30, 2028	FY 2028	Sept. 30, 2029

Contact Information

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