



MEMORANDUM

TO: All Agency Heads

FROM: Kristina Turner, Deputy State Auditor **KAT**

DATE: April 27, 2022

RE: Local Government Eligibility for State Grants

We have attached a listing of local governments that are not in compliance with audit report and/or grant certification form submission requirements and included information on the specific nature of the noncompliance noted as of the date the listing was prepared April 26, 2022. Noncompliance with these requirements could impact a local government's eligibility for state grant funds and could require previously awarded grant funds to be returned to the state. To facilitate your access to this information, this memo and the enclosed listing of noncompliant local governments will be available on the Department of Audits and Accounts (DOAA) web page. The memo with listing is shown as technical assistance under resources for local governments at the web address below:

<https://www.audits2.ga.gov/resources/orgs/local-government>

In addition, if members of your staff would like to be added to our email list to receive future updates to this listing, please send your request to Jackie Neubert whose contact information appears at the end of this memo.

The following Code sections affect a local government's eligibility for state grant funds based upon submission of documents to the State Auditor for review:

O.C.G.A. §36-81-7 requires that local governments forward a copy of their annual audit report to the State Auditor for review. This code section also requires local governments to correct deficiencies noted during this review. Subparagraph (d)(5) of this code section specifies that "no state agency shall make or transmit any state grant funds to any local government which has failed to provide all the audits required by law within the preceding five years".

O.C.G.A. §36-81-8.1 requires that local government recipients of grants from the Governor's emergency fund or from a special project appropriation annually submit a grant certification form to the State Auditor. Except under certain limited circumstances, certification is required by the local government and the local government auditor that the grant funds were used solely for the express purpose or purposes for which the grant was made. Paragraph (e) specifies that "the failure to comply with the requirements of this code section shall result in a forfeiture of a state grant and the return to the state of any such grant funds which have been received by the local government". An additional provision states that "a grant recipient ... shall be ineligible to receive funds from the Governor's emergency fund or from a special project appropriation until all unallowed expenditures are returned to the state...".

O.C.G.A. §47-1-5 requires local governments that have established defined benefit retirement plans to report on the financial condition of their plan in even numbered years. For those governments not in compliance, the Department of Audits and Accounts is required to "notify the state treasurer; and it shall be the duty of the state treasurer to withhold any state funds payable to the applicable political subdivision or local board of education until the actuarial investigation and financial report are submitted to the state auditor." The same requirement applies to governments whose actuary opines that the government has not met the minimum funding standards for their defined benefit plan as required by Article 2 of O.C.G.A §47-20. Noncompliant governments have been added to the listing to ensure that agency officials are aware of the requirement to withhold state funds payable to these local governments.

O.C.G.A. §36-81-7 refers to "any **state** grant funds" (emphasis added). The provision to suspend state grants does not apply to grants made or transmitted by state agencies to local governments that are not considered state grants. For example, federal grant awards that state agencies pass through to local governments should not be withheld from noncompliant governments, even if the grant has state matching requirements.

Additionally, it is important to note that, for purposes of O.C.G.A. §36-81-7, a local government is defined as "a municipality, county, consolidated city-county government, or other political subdivision of the state." Although not included on the attached listing, the Department of Audits and Accounts maintains information regarding the compliance status of other political subdivisions. If your agency is considering the award of a grant or transmittal of state grant funds to such an entity, we will provide compliance status information upon request.

If your agency is considering the award of a grant or transmittal of state grant funds to a local government, an agency official should confirm whether the local government is in compliance with the applicable code section(s) identified above. The attached listing was accurate as of the date it was prepared; however, it is important to note that local government compliance with these code sections is subject to change. Therefore, we would encourage you to request updated information on the status of local government compliance by submitting an e-mail request for information to our office. Our staff will research the compliance status of the potential local government grantees specified in the e-mail and notify you of the results. Please send the e-mail to neubertj@audits.ga.gov to request information on compliance status and include the names of particular governments. The next listing is due to be released on May 23, 2022.

This memo and attached listing focus on a local government's compliance with requirements to submit audit reports and/or grant certification forms to the DOAA. Compliance with reporting requirements to other state agencies or grantors is not addressed in this memo.

If you have any questions regarding the provisions of the above referenced code sections or local government eligibility for state grants, please contact Jackie Neubert by e-mail at neubertj@audits.ga.gov or by telephone at (404) 651-8938.

GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS

Nonprofit and Local Government Audits Division

Listing of Noncompliant Local Governments

--- Government Name and Type ---				2016	2017	2018	2019	2020	2021
FYE		Name	Type						
1	12/31	Hospital Authority of Washington County	Authority	3		3		3	
2	12/31	Adrian	City					1A	
3	10/31	Alapaha	City					1A	
4	06/30	Aragon	City		1A	1A	1A	1A	1A
5	06/30	Arlington	City						1A
6	12/31	Avalon	City		1A			1A	
7	12/31	Berlin	City					1A	
8	06/30	Bishop	City				1A	1A	1A
9	03/31	Bogart	City					1A	1A
10	12/31	Bostwick	City					1A	
11	12/31	Bowman	City					1A	
12	06/30	Braswell	City		1A	1A	1A	1A	1A
13	06/30	Brooklet	City						1A
14	06/30	Buckhead	City						1A
15	12/31	Canon	City					1A	
16	12/31	Carl	City					1A	
17	12/31	Carlton	City					1A	
18	12/31	Cecil	City			1A	1A	1A	
19	12/31	Chickamauga	City					1A	
20	12/31	Clarkston	City					1A	
21	06/30	Clayton	City						1A
22	12/31	Crawfordville	City				1A	1A	
23	09/30	Cuthbert	City						1A
24	06/30	Darien	City				1A	1A	1A
25	08/31	Dawson	City						1A
26	06/30	Dooling	City						1A
27	06/30	Edgehill	City					1A	
28	06/30	Edison	City				1A	1A	1A
29	12/31	Ellijay	City					1A	
30	12/31	Enigma	City				1A	1A	
31	12/31	Fairmount	City					1A	
32	08/31	Fargo	City						1A
33	09/30	Fort Valley	City				1A	1A	1A
34	12/31	Funston	City					1A	
35	06/30	Girard	City						1A
36	12/31	Good Hope	City					1A	
37	09/30	Graham	City						1A
38	09/30	Greensboro	City					1A	1A
39	12/31	Gum Branch	City					1A	
40	06/30	Hagan	City						1A
41	06/30	Haralson	City						1A
42	06/30	Hazlehurst	City						1A
43	06/30	Hephzibah	City					1A	
44	06/30	Homerville	City					1A	1A
45	12/31	Jeffersonville	City			1A	1A	1A	
46	12/31	Keysville	City				1A	1A	
47	12/31	Kingston	City					1A	
48	09/30	LaFayette	City						1A
49	12/31	Lake Park	City					1A	
50	06/30	Lone Oak	City						1A
51	07/31	Lumpkin	City						1A

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FYE	Name	Type						
52	06/30 Luthersville	City						1A
53	12/31 Maxeys	City		1A	1A	1A	1A	
54	12/31 Maysville	City					1A	
55	06/30 Meigs	City					1A	1A
56	06/30 Menlo	City					1A	1A
57	12/31 Molena	City					1A	
58	06/30 Monticello	City				1A	1A	1A
59	09/30 Montezuma	City						1A
60	06/30 Morven	City						1A
61	12/31 Mount Vernon	City					1A	
62	06/30 Mountain Park	City						1A
63	07/31 Nashville	City						1A
64	12/31 Newborn	City					1A	
65	12/31 Newton	City				1A	1A	
66	06/30 Nunez	City						1A
67	06/30 Ocilla	City						1A
68	12/31 Orchard Hill	City				1A	1A	
69	06/30 Palmetto	City					1A	1A
70	06/30 Pine Mountain	City						1A
71	12/31 Porterdale	City					1A	
72	06/30 Quitman	City			1A	1A	1A	1A
73	12/31 Ranger	City	1A	1A	1A	1A	1A	
74	06/30 Rayle	City					1A	1A
75	06/30 Reidsville	City					1A	1A
76	09/30 Roberta	City						1A
77	12/31 Rochelle	City					1A	
78	12/31 Sale City	City					1A	
79	06/30 Screven	City		1A	1A	1A	1A	1A
80	09/30 Shady Dale	City						1A
81	09/30 South Fulton	City						1A
82	06/30 Statham	City						1A
83	12/31 Stonecrest	City					1A	
84	06/30 Summertown	City					1A	
85	12/31 Sumner	City					1A	
86	06/30 Sycamore	City						1A
87	12/31 Talking Rock	City					1A	
88	12/31 Taylorsville	City					1A	
89	06/30 Turin	City						1A
90	08/31 Union City	City						1A
91	09/30 Union Point	City					1A	1A
92	12/31 Uvalda	City					1A	
93	12/31 Walthourville	City					1A	
94	06/30 Warner Robins	City						1A
95	06/30 Waycross	City						1A
96	12/31 West Point	City					1A	
97	12/31 White	City					1A	
98	12/31 Willacoochee	City				1A	1A	
99	12/31 Woodbury	City					1A	
100	12/31 Woodland	City				1A	1A	
101	12/31 Woodville	City				1A	1A	
102	12/31 Yatesville	City	1A	1A	1A	1A	1A	

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FYE	--- Government Name and Type ---		2016	2017	2018	2019	2020	2021
	Name	Type						
1 06/30	Bacon County	County						1A
2 06/30	Brooks County	County						1A
3 09/30	Clay County	County						1A
4 09/30	Cook County	County						1A
5 06/30	Elbert County	County						1A
6 08/31	Irwin County	County						1A
7 06/30	Screven County	County						1A
8 06/30	Talbot County	County						1A
9 06/30	Taliaferro County	County						1A
10 09/30	Tattnall County	County						1A
11 06/30	Turner County	County						1A
12 09/30	Wilcox County	County						1A
1 06/30	Cusseta-Chattahoochee County	Consolidated Government						1A
1 06/30	Northwest Georgia Regional Commission	Regional Commission						1A

Note 1: This information is accurate as of the date it was prepared. State agency officials are strongly encouraged to contact Department of Audits and Accounts to confirm eligibility for potential local government grantees prior to award of contract and transmittal of state grant funds. Eligibility may be confirmed by sending an e-mail to neubertj@audits.ga.gov and including name(s) of local government grantees. The inclusion or exclusion of a particular government on the above list does not constitute proof of eligibility status under O.C.G.A. §36-81-7.

Note 2: The FYE column indicates the month and date of the year end for each listed government.

KEY:

1. Noncompliant with O.C.G.A. §36-81-7 (A: Report not received; B: Uncorrected report deficiencies)
2. Noncompliant with O.C.G.A. §36-81-8.1
3. Reported to Office of the State Treasurer as noncompliant with O.C.G.A. §47-1-5 or Article 2 of §47-20