



MEMORANDUM

TO: All Agency Heads

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

DATE: June 2, 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 June 2, 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 June 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	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	Buckhead	City						1A
14	12/31	Canon	City					1A	
15	12/31	Carl	City					1A	
16	12/31	Cecil	City			1A	1A	1A	
17	06/30	Clayton	City						1A
18	12/31	Crawfordville	City					1A	
19	09/30	Cuthbert	City						1A
20	06/30	Darien	City				1A	1A	1A
21	08/31	Dawson	City						1A
22	06/30	Edgehill	City					1A	
23	06/30	Edison	City				1A	1A	1A
24	12/31	Ellijay	City					1A	
25	12/31	Enigma	City				1A	1A	
26	12/31	Fairmount	City					1A	
27	08/31	Fargo	City						1A
28	09/30	Fort Valley	City				1A	1A	1A
29	12/31	Good Hope	City					1A	
30	09/30	Greensboro	City					1A	1A
31	12/31	Gum Branch	City					1A	
32	06/30	Hagan	City						1A
33	06/30	Haralson	City						1A
34	06/30	Hephzibah	City					1A	
35	06/30	Homerville	City					1A	1A
36	12/31	Jeffersonville	City			1A	1A	1A	
37	12/31	Keysville	City				1A	1A	
38	12/31	Kingston	City					1A	
39	09/30	LaFayette	City						1A
40	12/31	Lake Park	City					1A	
41	06/30	Lone Oak	City						1A
42	07/31	Lumpkin	City						1A
43	12/31	Maxeys	City		1A	1A	1A	1A	
44	12/31	Maysville	City					1A	
45	06/30	Meigs	City					1A	1A
46	06/30	Menlo	City						1A
47	12/31	Molena	City					1A	
48	06/30	Monticello	City				1A	1A	1A
49	09/30	Montezuma	City						1A
50	06/30	Morven	City						1A
51	12/31	Mount Vernon	City					1A	

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FYE	Name	Type						
52	06/30 Mountain Park	City						1A
53	12/31 Newborn	City					1A	
54	12/31 Newton	City				1A	1A	
55	06/30 Nunez	City						1A
56	06/30 Ocilla	City						1A
57	12/31 Orchard Hill	City				1A	1A	
58	06/30 Palmetto	City						1A
59	06/30 Pine Mountain	City						1A
60	12/31 Porterdale	City					1A	
61	06/30 Quitman	City			1A	1A	1A	1A
62	12/31 Ranger	City	1A	1A	1A	1A	1A	
63	06/30 Rayle	City					1A	1A
64	06/30 Reidsville	City						1A
65	09/30 Roberta	City						1A
66	12/31 Rochelle	City					1A	
67	12/31 Sale City	City					1A	
68	06/30 Screven	City		1A	1A	1A	1A	1A
69	09/30 Shady Dale	City						1A
70	06/30 Statham	City						1A
71	12/31 Stonecrest	City					1A	
72	06/30 Summertown	City					1A	
73	12/31 Sumner	City					1A	
74	06/30 Sycamore	City						1A
75	12/31 Talking Rock	City					1A	
76	12/31 Taylorsville	City					1A	
77	08/31 Union City	City						1A
78	09/30 Union Point	City					1A	1A
79	12/31 Uvalda	City					1A	
80	12/31 Walthourville	City					1A	
81	06/30 Warner Robins	City						1A
82	12/31 West Point	City					1A	
83	12/31 White	City					1A	
84	12/31 Willacoochee	City				1A	1A	
85	12/31 Woodbury	City					1A	
86	12/31 Woodland	City				1A	1A	
87	12/31 Woodville	City				1A	1A	
88	12/31 Yatesville	City	1A	1A	1A	1A	1A	
1	06/30 Brooks County	County						1A
2	09/30 Clay County	County						1A
3	09/30 Cook County	County						1A
4	06/30 Elbert County	County						1A
5	08/31 Irwin County	County						1A
6	06/30 Screven County	County						1A
7	06/30 Talbot County	County						1A
8	06/30 Taliaferro County	County						1A
9	09/30 Tattnall County	County						1A
10	09/30 Wilcox County	County						1A
1	06/30 Cusseta-Chattahoochee County	Consolidated Government						1A

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FYE	--- Government Name and Type ---		2016	2017	2018	2019	2020	2021
	Name	Type						
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