



MEMORANDUM

TO: All Agency Heads

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

DATE: October 13, 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 October 13, 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](mailto: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 November 18, 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](mailto: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 ---				2017	2018	2019	2020	2021	2022
FYE	Name	Type							
1	12/31	Hospital Authority of Washington County	Authority		3		3		
2	09/30	Adel	City					1A	
3	12/31	Adrian	City					1A	
4	10/31	Alapaha	City				1A	1A	
5	12/31	Ambrose	City					1A	
6	06/30	Andersonville	City					1A	
7	06/30	Aragon	City	1A	1A	1A	1A	1A	
8	12/31	Avalon	City	1A			1A	1A	
9	12/31	Berlin	City				1A	1A	
10	12/31	Between	City					1A	
11	06/30	Bishop	City			1A	1A	1A	
12	06/30	Bloomingtondale	City					1A	
13	12/31	Bluffton	City					1A	
14	03/31	Bogart	City						1A
15	12/31	Bostwick	City					1A	
16	12/31	Bowersville	City					1A	
17	12/31	Bowman	City				1A		
18	06/30	Braswell	City	1A	1A	1A	1A	1A	
19	12/31	Byromville	City					1A	
20	12/31	Canon	City				1A	1A	
21	12/31	Carl	City				1A	1A	
22	12/31	Cecil	City		1A	1A	1A	1A	
23	12/31	Chatsworth	City					1A	
24	12/31	Chickamauga	City					1A	
25	12/31	Clarkston	City					1A	
26	06/30	Clayton	City					1A	
27	12/31	Colbert	City					1A	
28	12/31	Crawford	City					1A	
29	12/31	Crawfordville	City					1A	
30	12/31	Culloden	City					1A	
31	06/30	Darien	City			1A	1A	1A	
32	06/30	Doraville	City					1A	
33	12/31	Dudley	City					1A	
34	06/30	East Point	City					1A	
35	06/30	Edgehill	City				1A	1A	
36	06/30	Edison	City			1A	1A	1A	
37	12/31	Enigma	City					1A	
38	12/31	Eton	City					1A	
39	09/30	Fairburn	City					1A	
40	12/31	Fairmount	City					1A	
41	12/31	Fitzgerald	City					1A	
42	09/30	Fort Valley	City			1A	1A	1A	
43	12/31	Funston	City					1A	
44	12/31	Geneva	City					1A	
45	12/31	Good Hope	City					1A	
46	09/30	Greensboro	City				1A	1A	
47	12/31	Gum Branch	City				1A	1A	
48	06/30	Haralson	City					1A	
49	06/30	Hephzibah	City				1A	1A	
50	06/30	Homerville	City				1A	1A	
51	12/31	Hull	City					1A	
52	12/31	Ila	City					1A	
53	12/31	Jeffersonville	City			1A	1A	1A	

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FYE	Name	Type						
54	12/31	Junction City					1A	
55	12/31	Keysville			1A	1A	1A	
56	12/31	Kite					1A	
57	12/31	Lake Park					1A	
58	12/31	Lenox					1A	
59	12/31	Lithonia					1A	
60	06/30	Lone Oak					1A	
61	06/30	Lovejoy					1A	
62	06/30	Madison					1A	
63	12/31	Manassas					1A	
64	12/31	Maxeys	1A	1A	1A	1A	1A	
65	12/31	Maysville				1A	1A	
66	06/30	Menlo					1A	
67	12/31	Midway					1A	
68	12/31	Molena				1A	1A	
69	06/30	Monticello				1A	1A	
70	06/30	Morven					1A	
71	12/31	Mount Vernon				1A	1A	
72	12/31	Newington					1A	
73	12/31	Newton			1A	1A	1A	
74	12/31	Norman Park					1A	
75	06/30	Nunez					1A	
76	12/31	Oakwood					1A	
77	12/31	Oliver					1A	
78	06/30	Palmetto					1A	
79	12/31	Patterson					1A	
80	12/31	Pavo					1A	
81	06/30	Pine Mountain					1A	
82	06/30	Portal					1A	
83	12/31	Porterdale					1A	
84	06/30	Quitman		1A	1A	1A	1A	
85	12/31	Ranger	1A	1A	1A	1A	1A	
86	06/30	Rayle				1A	1A	
87	06/30	Reidsville					1A	
88	01/31	Rentz						1A
89	12/31	Rest Haven					1A	
90	09/30	Roberta					1A	
91	12/31	Rochelle					1A	
92	06/30	Screven	1A	1A	1A	1A	1A	
93	06/30	Sharon					1A	
94	12/31	Soperton					1A	
95	09/30	South Fulton					1A	
96	12/31	Sparks					1A	
97	06/30	Statham					1A	
98	12/31	Stonecrest				1A		
99	06/30	Summertown				1A		
100	12/31	Sumner				1A	1A	
101	06/30	Sycamore					1A	
102	12/31	Talking Rock				1A	1A	
103	12/31	Taylorsville				1A	1A	
104	12/31	Temple					1A	
105	12/31	Tiger					1A	
106	12/31	Trenton					1A	

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FYE	Name	Type						
107	09/30	Union Point				1A	1A	
108	12/31	Uvalda				1A	1A	
109	12/31	Walthourville				1A	1A	
110	12/31	West Point				1A	1A	
111	12/31	White				1A	1A	
112	12/31	Willacoochee			1A	1A	1A	
113	12/31	Winterville					1A	
114	12/31	Woodbury					1A	
115	12/31	Woodville			1A	1A	1A	
116	12/31	Yatesville	1A	1A	1A	1A	1A	
117	12/31	Young Harris					1A	
1	06/30	Brooks County					1A	
2	09/30	Clay County					1A	
3	12/31	Coffee County					1A	
4	12/31	Dodge County					1A	
5	06/30	Elbert County					1A	
6	09/30	Emanuel County					1A	
7	06/30	Henry County					1A	
8	12/31	Johnson County					1A	
9	12/31	Madison County					1A	
10	09/30	McIntosh County					1A	
11	09/30	Meriwether County					1A	
12	12/31	Pulaski County					1A	
13	06/30	Screven County					1A	
14	06/30	Taliaferro County					1A	
15	09/30	Tattnall County					1A	
16	09/30	Walker County					1A	
17	09/30	Wilcox County					1A	
1	06/30	Cusseta-Chattahoochee County					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](mailto: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