



MEMORANDUM

TO: All Agency Heads

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

DATE: February 15, 2023

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 February 14, 2023. 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 by March 17, 2023.

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

FYE	--- Government Name and Type ---		2017	2018	2019	2020	2021	2022
	Name	Type						
1	12/31	Hospital Authority of Washington County	Authority	3		3		3
2	09/30	Macon Water Authority	Authority					3
3	12/31	Abbeville	City				1A	
4	09/30	Adel	City				1A	
5	10/31	Alapaha	City			1A	1A	
6	06/30	Alma	City					1A
7	06/30	Andersonville	City					1A
8	06/30	Aragon	City	1A	1A	1A	1A	1A
9	06/30	Argyle	City					1A
10	06/30	Ashburn	City					1A
11	12/31	Avalon	City	1A		1A	1A	
12	12/31	Avondale Estates	City				1A	
13	06/30	Bartow	City					1A
14	06/30	Barwick	City					1A
15	12/31	Berlin	City			1A	1A	
16	06/30	Bishop	City		1A	1A	1A	1A
17	06/30	Bloomington	City					1A
18	12/31	Bluffton	City				1A	
19	06/30	Bowdon	City					1A
20	12/31	Bowersville	City				1A	
21	12/31	Bowman	City			1A	1A	
22	06/30	Braselton	City					1A
23	06/30	Braswell	City	1A	1A	1A	1A	1A
24	06/30	Bremen	City					1A
25	06/30	Brooklet	City					1A
26	06/30	Buchanan	City					1A
27	06/30	Buckhead	City					1A
28	06/30	Cairo	City					1A
29	12/31	Canon	City				1A	
30	12/31	Carl	City				1A	
31	06/30	Cartersville	City					1A
32	06/30	Cave Spring	City					1A
33	12/31	Cecil	City	1A	1A	1A	1A	
34	12/31	Cedartown	City				1A	
35	06/30	Chattahoochee Hills	City					1A
36	12/31	Clarkston	City				1A	
37	06/30	Clayton	City					1A, 3
38	12/31	Colbert	City				1A	
39	12/31	Crawfordville	City				1A	
40	12/31	Danielsville	City				1A	
41	06/30	Darien	City			1A	1A	1A
42	06/30	Dasher	City					1A
43	06/30	Dooling	City					1A
44	06/30	Doraville	City				1A	1A, 3
45	12/31	Dudley	City				1A	
46	06/30	East Dublin	City					1A
47	06/30	East Point	City				1A	1A
48	06/30	Edgehill	City			1A	1A	1A
49	06/30	Edison	City		1A	1A	1A	1A
50	12/31	Eton	City				1A	
51	06/30	Forest Park	City					1A
52	09/30	Fort Valley	City		1A	1A	1A	
53	12/31	Funston	City				1A	
54	06/30	Garfield	City					1A
55	06/30	Girard	City					1A
56	12/31	Good Hope	City				1A	
57	09/30	Greensboro	City				1A	
58	06/30	Greenville	City					1A
59	12/31	Gum Branch	City			1A	1A	
60	06/30	Hagan	City					1A
61	06/30	Hazlehurst	City					1A
62	06/30	Hephzibah	City			1A	1A	1A

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63	06/30	Homerville				1A	1A	1A
64	12/31	Hull					1A	
65	12/31	Jeffersonville			1A	1A	1A	
66	12/31	Keysville				1A	1A	
67	12/31	Kite					1A	
68	12/31	Lake Park					1A	
69	12/31	Lenox					1A	
70	06/30	Leslie						1A
71	12/31	Lilly					1A	
72	06/30	Lithonia						1A
73	06/30	Loganville						1A
74	06/30	Lone Oak					1A	1A
75	06/30	Lovejoy					1A	1A
76	12/31	Lumber City					1A	
77	07/31	Lumpkin						1A
78	06/30	Luthersville						1A
79	06/30	Madison						1A
80	06/30	Manchester						1A
81	12/31	Maxeys	1A	1A	1A	1A	1A	
82	06/30	Meigs						1A
83	06/30	Menlo						1A
84	12/31	Midville					1A	
85	12/31	Midway					1A	
86	06/30	Monticello				1A	1A	1A
87	06/30	Morrow						1A
88	06/30	Morven						1A
89	06/30	Mountain Park						1A
90	06/30	Nahunta						1A
91	07/31	Nashville						1A
92	12/31	Newnan					1A	
93	12/31	Newton			1A	1A	1A	
94	06/30	Nicholls						1A
95	06/30	Nunez					1A	1A
96	06/30	Ocilla						1A
97	06/30	Palmetto					1A	1A
98	12/31	Patterson					1A	
99	06/30	Perry						1A
100	12/31	Pitts					1A	
101	06/30	Plains						1A
102	06/30	Quitman		1A	1A	1A	1A	1A
103	12/31	Ranger	1A	1A	1A	1A	1A	
104	06/30	Rayle				1A	1A	1A
105	06/30	Register						1A
106	06/30	Reidsville					1A	1A
107	04/30	Resaca						1A
108	12/31	Rest Haven					1A	
109	06/30	Riceboro						1A
110	09/30	Roberta					1A	
111	12/31	Rochelle					1A	
112	06/30	Screven		1A	1A	1A	1A	1A
113	06/30	Social Circle						1A
114	09/30	South Fulton					1A	
115	12/31	Sparks					1A	
116	06/30	Statham						1A
117	12/31	Stonecrest					1A	
118	06/30	Summertown				1A		1A
119	12/31	Sumner					1A	
120	06/30	Sycamore						1A
121	06/30	Talbotton						1A
122	12/31	Talking Rock				1A	1A	
123	12/31	Taylorsville				1A	1A	
124	12/31	Temple					1A	

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	Name	Type						
125 06/30	Trion	City						1A
126 06/30	Turin	City						1A
127 09/30	Union Point	City				1A	1A	
128 12/31	Uvalda	City				1A	1A	
129 06/30	Valdosta	City						1A
130 12/31	Walthourville	City				1A	1A	
131 06/30	Warner Robins	City						1A
132 06/30	Warwick	City						1A
133 06/30	Waycross	City						1A
134 12/31	West Point	City				1A	1A	
135 12/31	White	City				1A	1A	
136 12/31	Willacoochee	City			1A	1A	1A	
137 12/31	Woodbine	City					1A	
138 12/31	Woodbury	City					1A	
139 12/31	Woodville	City			1A	1A	1A	
140 12/31	Yatesville	City	1A	1A	1A	1A	1A	
1	06/30	Bacon County	County					1A
2	06/30	Banks County	County					1A
3	06/30	Berrien County	County					1A
4	06/30	Brooks County	County					1A
5	09/30	Clay County	County				1A	
6	06/30	Dade County	County					1A
7	06/30	Dougherty County	County					1A
8	06/30	Elbert County	County				1A	1A
9	12/31	Johnson County	County				1A	
10	06/30	Laurens County	County					1A
11	12/31	Madison County	County				1A	
12	06/30	Pike County	County					1A
13	12/31	Pulaski County	County					
14	06/30	Screven County	County					1A
15	12/31	Stewart County	County				1A	
16	06/30	Talbot County	County					1A
17	06/30	Taliaferro County	County					1A
18	06/30	Telfair County	County					1A
19	06/30	Troup County	County					1A
20	06/30	Turner County	County					1A
21	12/31	Twiggs County	County				1A	
22	06/30	Ware County	County					1A
1	06/30	Cusseta-Chattahoochee County	Consolidated Government					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