



MEMORANDUM

TO: All Agency Heads

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

DATE: March 18, 2024

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 March 15, 2024. 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 April 3, 2024.

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
Professional Standards and Practices Division - Nonprofit and Local Government Audit Section
Listing of Noncompliant Local Governments

--- Government Name and Type ---				2018	2019	2020	2021	2022	2023
FYE	Name	Type							
1	12/31	Hospital Authority of Washington County	Authority	3		3		3	
2	12/31	Abbeville	City					1A	
3	12/31	Adrian	City					1A	
4	06/30	Alston	City						1A
5	06/30	Andersonville	City					1A	1A
6	06/30	Aragon	City		1A	1A	1A	1A	1A
7	06/30	Argyle	City						1A
8	06/30	Arlington	City						1A
9	06/30	Ashburn	City					1A	1A
10	12/31	Avalon	City			1A	1A	1A	
11	06/30	Baldwin	City						1A
12	06/30	Bartow	City						1A
13	06/30	Bishop	City		1A	1A	1A	1A	1A
14	06/30	Bloomingdale	City						1A
15	06/30	Bowdon	City						1A
16	12/31	Bowersville	City					1A	
17	12/31	Bowman	City				1A	1A	
18	06/30	Braselton	City						1A
19	06/30	Braswell	City		1A	1A	1A	1A	1A
20	06/30	Bremen	City						1A
21	06/30	Buckhead	City						1A
22	05/31	Buena Vista	City						1A
23	12/31	Byromville	City					1A	
24	06/30	Cave Spring	City						1A
25	12/31	Cecil	City	1A	1A	1A	1A	1A	
26	12/31	Cedartown	City					1A	
27	06/30	Chattahoochee Hills	City						1A
28	12/31	Clarkston	City					1A	
29	06/30	Clayton	City					3	1A
30	12/31	Cohutta	City					1A	
31	12/31	Colbert	City					1A	
32	06/30	Colquitt	City						1A
33	12/31	Danielsville	City				1A	1A	
34	06/30	Darien	City			1A	1A	1A	1A
35	09/30	Doraville	City					1A	
36	12/31	Dudley	City					1A	
37	06/30	Duluth	City						1A
38	06/30	East Point	City					1A	1A
39	06/30	Edgehill	City			1A	1A	1A	1A
40	06/30	Edison	City		1A	1A	1A	1A	1A
41	12/31	Enigma	City					1A	
42	06/30	Forest Park	City						1A
43	06/30	Fort Gaines	City						1A
44	09/30	Fort Valley	City	1A-D		1A	1A	1A	
45	06/30	Garfield	City						1A
46	02/28	Gay	City						1A
47	12/31	Geneva	City					1A	
48	06/30	Greenville	City						1A
49	09/30	Greensboro	City					1A	
50	12/31	Gum Branch	City				1A	1A	
51	06/30	Hagan	City						1A

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FYE	Name	Type						
52	06/30 Hazlehurst	City						1A
53	06/30 Hiltonia	City						1A
54	06/30 Homer	City						1A
55	06/30 Homerville	City			1A	1A	1A	1A
56	12/31 Hull	City				1A	1A	
57	06/30 Jacksonville	City						1A
58	12/31 Jeffersonville	City		1A	1A	1A	1A	
59	12/31 Junction City	City					1A	
60	12/31 Keysville	City			1A	1A	1A	
61	06/30 LaGrange	City						1A
62	12/31 Lilly	City				1A	1A	
63	06/30 Lone Oak	City					1A	1A
64	06/30 Lovejoy	City					1A	1A
65	06/30 Madison	City						1A
66	06/30 Marshallville	City						1A
67	12/31 Maxeys	City	1A	1A	1A	1A	1A	
68	06/30 McDonough	City						1A
69	06/30 Metter	City						1A
70	12/31 Midville	City				1A	1A	
71	12/31 Midway	City				1A	1A	
72	12/31 Milner	City					1A	
73	12/31 Molena	City			1A	1A	1A	
74	06/30 Monticello	City			1A	1A	1A	1A
75	12/31 Montrose	City					1A	
76	06/30 Morrow	City					1A	1A
77	06/30 Morven	City						1A
78	06/30 Mountain Park	City						1A
79	12/31 Newton	City		1A	1A	1A	1A	
80	06/30 Nicholls	City						1A
81	12/31 Norman Park	City					1A	
82	06/30 Nunez	City				1A	1A	1A
83	06/30 Ocilla	City					1A	1A
84	06/30 Palmetto	City					1A	1A
85	12/31 Patterson	City				1A	1A	
86	12/31 Pearson	City					1A	
87	06/30 Portal	City					1A	1A
88	12/31 Porterdale	City					1A	
89	06/30 Quitman	City		1A	1A	1A	1A	1A
90	06/30 Rayle	City						1A
91	06/30 Register	City						1A
92	06/30 Reidsville	City						1A
93	04/30 Resaca	City					1A	1A
94	06/30 Riceboro	City					1A	1A
95	12/31 Rincon	City					1A	
96	09/30 Roberta	City					1A	
97	12/31 Roopville	City					1A	
98	06/30 Sharon	City						1A
99	09/30 South Fulton	City					1A	
100	12/31 Sparks	City				1A	1A	
101	06/30 Statham	City						1A
102	12/31 Stone Mountain	City					1A	

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FYE	Name	Type						
103	12/31	Stonecrest				1A	1A	
104	06/30	Summertown			1A			1A
105	06/30	Sycamore						1A
106	06/30	Tallahah Falls						1A
107	12/31	Temple					1A	
108	06/30	Tennille						1A
109	12/31	Tiger					1A	
110	06/30	Trion						1A
111	12/31	Turin					1A	
112	09/30	Union Point			1A	1A	1A	
113	12/31	Uvalda				1A	1A	
114	06/30	Valdosta						1A
115	06/30	Vidette					1A	1A
116	12/31	Wadley					1A	
117	06/30	Waleska						1A
118	12/31	Walthourville				1A	1A	
119	12/31	West Point			1A	1A	1A	
120	12/31	White			1A	1A	1A	
121	12/31	Whitesburg					1A	
122	12/31	Willacoochee			1A	1A	1A	
123	12/31	Woodbine				1A	1A	
124	12/31	Woodbury				1A	1A	
125	12/31	Woodville		1A	1A	1A	1A	
126	12/31	Yatesville					1A	
1	06/30	Banks County	County					1A
2	06/30	Candler County	County					1A
3	09/30	Clay County	County				1A	
4	06/30	Clayton County	County					1A
5	06/30	Colquitt County	County					1A
6	06/30	Dade County	County					1A
7	06/30	Dougherty County	County					1A
8	12/31	Douglas County	County				1A	
9	06/30	Effingham County	County					1A
10	06/30	Elbert County	County					1A
11	06/30	Henry County	County				1A	1A
12	06/30	Jeff Davis County	County					1A
13	06/30	Jefferson County	County					1A
14	06/30	Miller County	County					1A
15	12/31	Pierce County	County				1A	
16	06/30	Polk County	County					1A
17	12/31	Pulaski County	County				1A	
18	06/30	Schley County	County					1A
19	06/30	Telfair County	County					1A
20	06/30	Turner County	County					1A
21	12/31	Twiggs County	County				1A	1A
22	06/30	Ware County	County					1A
1	06/30	Macon-Bibb County	Consolidated Government					1A

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FYE	--- Government Name and Type ---		2018	2019	2020	2021	2022	2023
	Name	Type						

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; A-D: Disclaimed Opinion; 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