



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Room 4-101
Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

KRISTINA A. TURNER
DEPUTY STATE AUDITOR
(404) 657-4352

MEMORANDUM

TO: All Agency Heads

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

DATE: September 7, 2021

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 September 2, 2021. 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 direct web address to access this information is:

http://www.audits.ga.gov/NALGAD/Local_Government_Audits.html

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 October 7, 2021.

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 ---			2015	2016	2017	2018	2019	2020
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	Alma	City					1A
5	06/30	Aragon	City		1A	1A	1A	1A
6	12/31	Avalon	City			1A		
7	12/31	Berlin	City		1A		1A	
8	12/31	Bethlehem	City				1A	
9	06/30	Bishop	City				1A	1A
10	12/31	Bluffton	City				1A	
11	03/31	Bogart	City				1A	1A
12	06/30	Braswell	City		1A	1A	1A	1A
13	12/31	Canon	City				1A	
14	06/30	Cave Spring	City					1A
15	12/31	Cecil	City				1A	1A
16	12/31	Chatsworth	City				1A	
17	12/31	Clarkston	City				1A	
18	12/31	Colbert	City				1A	
19	12/31	Crawford	City				1A	
20	12/31	Crawfordville	City				1A	
21	09/30	Cuthbert	City					1A
22	06/30	Darien	City				1A	1A
23	06/30	Edgehill	City					1A
24	06/30	Edison	City				1A	1A
25	12/31	Ellijay	City				1A	
26	12/31	Enigma	City				1A	
27	09/30	Fort Valley	City				1A	1A
28	06/30	Gillsville	City					1A
29	09/30	Greensboro	City					1A
30	06/30	Hephzibah	City					1A
31	06/30	Homerville	City					1A
32	12/31	Jeffersonville	City				1A	1A
33	09/30	Johns Creek	City					1A
34	12/31	Keysville	City				1A	1A
35	07/31	Lumpkin	City					1A
36	06/30	Manchester	City					1A
37	12/31	Maxeys	City			1A	1A	1A
38	06/30	Meigs	City					1A
39	06/30	Menlo	City				1A	1A
40	06/30	Monticello	City				1A	1A
41	06/30	Morrow	City					1A
42	06/30	Morven	City					1A
43	06/30	Mountain Park	City					1A
44	07/31	Nashville	City					1A
45	12/31	Newton	City			1A	1A	1A
46	06/30	Nunez	City					1A
47	12/31	Oak Park	City		1A	1A	1A	1A
48	12/31	Oakwood	City				1A	
49	12/31	Oglethorpe	City				1A	
50	12/31	Orchard Hill	City				1A	
51	06/30	Palmetto	City					1A
52	12/31	Pearson	City				1A	
53	06/30	Quitman	City				1A	1A
54	12/31	Ranger	City	1A	1A	1A	1A	1A
55	06/30	Rayle	City					1A
56	06/30	Reidsville	City					1A
57	01/31	Rentz	City					1A
58	04/30	Resaca	City				1A	1A
59	12/31	Santa Claus	City	1A	1A	1A	1A	
60	12/31	Scotland	City				1A	
61	06/30	Screven	City			1A	1A	1A
62	09/30	Shady Dale	City					1A
63	06/30	Statham	City					1A
64	06/30	Summertown	City					1A
65	09/30	Unadilla	City					1A
66	09/30	Union Point	City					1A
67	12/31	Uvalda	City				1A	
68	09/30	Wadley	City					1A
69	06/30	Warwick	City					1A
70	12/31	Willacoochee	City				1A	

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FYE	Name	Type						
71	12/31	Woodland					1A	
72	12/31	Woodville					1A	
73	12/31	Yatesville	1A	1A	1A	1A	1A	
1	09/30	Clay County						1A
2	06/30	Dougherty County						1A
3	06/30	Elbert County						1A
4	08/31	Irwin County						1A
5	09/30	McIntosh County						1A
6	09/30	Meriwether County						1A
7	06/30	Screven County						1A
8	06/30	Taliaferro County						1A
9	09/30	Wilcox 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 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