



DEPARTMENT OF AUDITS AND ACCOUNTS

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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 ---									
FYE	Name	Type	2015	2016	2017	2018	2019	2020	
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	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	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	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	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	1A		
60 12/31	Scotland	City					1A		
61 06/30	Screven	City			1A	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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71 12/31	Woodland	City					1A	
72 12/31	Woodville	City					1A	
73 12/31	Yatesville	City	1A	1A	1A	1A	1A	
1 09/30	Clay County	County						1A
2 09/30	Crawford County	County						1A
3 06/30	Dougherty County	County						1A
4 06/30	Elbert County	County						1A
5 08/31	Irwin County	County						1A
6 09/30	McIntosh County	County						1A
7 09/30	Meriwether County	County						1A
8 06/30	Screven County	County						1A
9 06/30	Taliaferro County	County						1A
10 09/30	Wilcox County	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