



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-114

Atlanta, Georgia 30334-8400

**GREG S. GRIFFIN**  
STATE AUDITOR

### MEMORANDUM

TO: All Agency Heads

FROM: Kristina Turner, Deputy State Auditor 

DATE: August 3, 2020

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 (August 2, 2020). 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](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](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 August 17, 2020.

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 ---			2014	2015	2016	2017	2018	2019
FYE	Name	Type						
1	12/31	Hospital Authority of Washington County	Authority	3		3		3
2	06/30	Andersonville	City					1B
3	06/30	Aragon	City		1A	1A	1A	1A
4	12/31	Avalon	City				1A	
5	06/30	Bartow	City					1A
6	12/31	Berlin	City			1A		
7	06/30	Bishop	City					1A
8	03/31	Bogart	City					1A
9	06/30	Braswell	City		1A	1A	1A	1A
10	06/30	Buchanan	City		1B	1B	1A	1A
11	05/31	Buena Vista	City					1B
12	06/30	Cave Springs	City					1A
13	12/31	Cecil	City			1A	1A	1A
14	06/30	Chattahoochee Hills	City					1A
15	06/30	Chauncey	City				1A	1A
16	06/30	Danville	City					1A
17	06/30	Darien	City				1A	1A
18	06/30	Duluth	City					1A
19	06/30	Edison	City					1A
20	08/31	Fargo	City					1A
21	09/30	Fort Valley	City				1A	1A
22	06/30	Girard	City					1A
23	09/30	Greensboro	City					1A
24	06/30	Guyton	City					1A
25	06/30	Hazlehurst	City					1A
26	06/30	Homerville	City					1A
27	06/30	Jacksonville	City					1A
28	12/31	Jeffersonville	City				1A	1A
29	12/31	Keysville	City			1A	1A	1A
30	09/30	LaFayette	City					1A
31	07/31	Lumpkin	City					1A
32	06/30	Luthersville	City					1A
33	12/31	Maxeys	City				1A	1A
34	06/30	Meigs	City					1A
35	06/30	Menlo	City					1A
36	06/30	Monticello	City					1A
37	12/31	Moreland	City				1A	
38	06/30	Nahunta	City				1A	1A
39	12/31	Newton	City				1A	1A
40	12/31	Oak Park	City			1A	1A	1A
41	12/31	Oglethorpe	City				1A	1A
42	06/30	Palmetto	City					1A
43	12/31	Pearson	City				1A	
44	12/31	Pendergrass	City				1A	
45	06/30	Pine Mountain	City					1A
46	12/31	Porterdale	City				1A	
47	06/30	Quitman	City				1A	1A
48	12/31	Ranger	City	1A	1A	1A	1A	1A
49	12/31	Rebecca	City				1A	
50	04/30	Resaca	City					1A
51	12/31	Rest Haven	City		1A	1A	1A	1A
52	12/31	Sale City	City				1A	1A
53	12/31	Santa Claus	City	1A	1A	1A	1A	1A
54	06/30	Screven	City				1A	1A
55	09/30	Shady Dale	City					1A
56	06/30	Statham	City				1A	1A
57	09/30	Tignall	City					1A
58	12/31	Vernonburg	City				1A	
59	09/30	Vienna	City				1B	1A
60	06/30	Waycross	City					1A
61	12/31	Whitesburg	City				1A	1A
62	12/31	Woodland	City				1A	1A
63	12/31	Yatesville	City	1B	1A	1A	1A	1A
1	09/30	Cook County	County					1A
2	06/30	Elbert County	County					1A
3	06/30	Franklin County	County					1A
4	08/31	Irwin County	County					1A
5	06/30	Lanier County	County					1A
6	06/30	Screven County	County					1A

GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS  
Nonprofit and Local Government Audits Division  
Listing of Noncompliant Local Governments

--- Government Name and Type ---			2014	2015	2016	2017	2018	2019
FYE	Name	Type						
7 06/30	Taliaferro County	County						1A
8 06/30	Telfair County	County						1A
9 06/30	Ware 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](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