



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

MEMORANDUM

TO: City, Town, and County Officials Preparing Generally Accepted Accounting Principles (GAAP) Statements

FROM: Beth Kelley, CPA, Director of the Office of Professional Standards, Indiana State Board of Accounts

RE: Audit Position on Libraries Presented as a Component Unit

DATE: August 11, 2021

It is the audit position of the Indiana State Board of Accounts that libraries, in which a city, town, or county appoints a voting majority of the library board and is the declared fiscal body as identified in Indiana Code 6-1.1-17-20.3, Indiana Code 6-1.1-17-20.4, Indiana Code 6-1.1-17-20.5, or Indiana Code 36-12-12-4, must be presented as a Component Unit of the city, town, or county in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

GASB Statement No. 14 ¶10 states: "The concept underlying the definition of the financial reporting entity is that elected officials are **accountable** to their constituents for their actions. Because one of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of those elected officials, the definition of the financial reporting entity should be based on accountability. Because providing public services is, ultimately, the responsibility of elected officials, all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations."

GASB Statement No. 14 ¶25 states in part: ". . . If a primary government appoints a voting majority of an organization's officials *and* has the ability to impose its will on the organization, the primary government is financially accountable for that organization."

GASB Statement No. 14 ¶26 states: "*A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization.* The existence of *any one* of the following conditions clearly indicates that a primary government has the ability to impose its will on an organization:

- a. The ability to remove appointed members of the organization's governing board at will.
- b. The ability to modify or approve the budget of the organization.
- c. The ability to modify or approve rate or fee changes affecting revenues, such as water usage rate increases.
- d. The ability to veto, overrule, or modify the decisions (other than those in b and c) of the organization's governing body.
- e. The ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations (management) of the organization."

Based upon our interpretation and consultation with GASB, it is our position the imposition of will is based on the existence of the ability of the city, town, or county as a primary government to undertake these actions under the circumstances defined by the statutes referenced in paragraph 1 above. Even though the circumstances may occur intermittently, it has been determined the city, town, or county has the ability to impose will. This ability, along with appointing the voting majority of the library board, makes the library a component unit of the city, town, or county.

To assist you in your determination, attached to this memo is a list of declared fiscal bodies as reported to the Department of Local Government Finance.

Library Name	Declared Fiscal Body
Adams Public Library System	Adams County Council
Akron Carnegie Public Library	Fulton County Council
Alexandria-Monroe Public Library	Madison County Council
Alexandrian Public Library	Posey County Council
Allen County Public Library	Allen County Council
Anderson Public Library	Anderson City Council
Andrews-Dallas Township Public Library	Huntington County Council
Argos Public Library	Marshall County Council
Attica Public Library	City of Attica
Aurora Public Library District	Dearborn County Council
Avon-Washington Township Public Library	Hendricks County Council
Bartholomew County Public Library	Bartholomew County Council
Barton Rees Pogue Memorial Public Library	Upland Town Council
Batesville Memorial Public Library	Ripley County Council
Bedford Public Library	Lawrence County Council
Bell Memorial Public Library	Kosciusko County Council
Benton County Public Library	Benton County Council
Berne Public Library	Adams County Council
Bicknell-Vigo Township Public Library	Knox County Council
Bloomfield-Eastern Greene County Public Library	Greene County Council
Boonville-Warrick County Public Library	Warrick County Council
Boswell-Grant Township Public Library	Benton County Council
Bourbon Public Library	Marshall County Council
Brazil Public Library	Brazil Common Council
Bremen Public Library	Marshall County Council
Bristol-Washington Township Public Library	Bristol Town Council
Brook-Iroquois-Washington Public Library	Newton County Council
Brookston-Prairie Township Public Library	Brookston Town Board
Brown County Public Library	Brown County Council
Brownsburg Public Library	Brownsburg Town Council
Brownstown Public Library	Jackson County Council
Butler Public Library	Butler Common Council
Cambridge City Public Library	Wayne County Council
Camden-Jackson Township Public Library	Carroll County Council
Carmel Clay Public Library	City of Carmel Common Council
Carnegie Public Library Of Steuben County	Steuben County Council
Centerville-Center Township Public Library	Wayne County Council (pending signature)
Charlestown Clark County Public Library	Clark County Council
Churubusco Public Library	Whitley County Council
Clayton-Liberty Township Public Library	
Clinton Public Library	Vermillion County Council
Coatesville-Clay Township Public Library	Hendricks County Council
Colfax-Perry Township Public Library	Clinton County Commissioners
Converse-Jackson Township Public Library	Miami County Council
Covington-Veedersburg Public Library	Fountain County Council
Crawford County Public Library	Crawford County Council
Crawfordsville District Public Library	Montgomery County Council
Crown Point Community Public Library	Lake County Council
Culver-Union Township Public Library	Marshall County Council
Danville-Center Township Public Library	Town of Danville
Darlington Public Library	Montgomery County Council
Delphi Public Library	Carroll County Council
Dublin Public Library	Dublin Town Council
Dunkirk Public Library	City of Dunkirk Council
Earl Park-Richland Township Public Library	Benton County Council
East Chicago Public Library	East Chicago City Council
Eckhart Public Library	Common Council of the City of Auburn
Edinburgh Wright-Hageman Public Library	
Elkhart Public Library	Elkhart County Council
Evansville-Vanderburgh Public Library	Evansville City Council
Fairmount Public Library	Grant County Council
Farmland Public Library	Randolph County Council
Fayette County Public Library	Fayette County Council
Flora-Monroe Township Public Library	Carroll County Council
Fort Branch-Johnson Township Public Library	Gibson County Council
Fortville-Vernon Township Public Library	McCordsville Town Council
Francesville-Salem Township Public Library	Pulaski County Council
Frankfort Clinton County Contractual Public Library	Clinton County Council
Franklin County Public Library District	Franklin County Council
Fremont Public Library	Steuben County Council
Fulton County Public Library	Fulton County Council
Garrett Public Library	City of Garrett Common Council

Library Name	Declared Fiscal Body
Gary Public Library & Cultural Center	Gary Common Council
Gas City-Mill Township Public Library	Grant County Council
Goodland & Grant Township Public Library	
Goshen Public Library	Goshen Common Council
Greensburg-Decatur County Contractual Public Library	Decatur County Council; Greensburg City Council
Greentown & Eastern Howard School Public Library	Howard County Council
Greenwood Public Library	Greenwood Common Council
Hagerstown-Jefferson Township Public Library	Wayne County Council
Hamilton East Public Library	Hamilton County Council
Hamilton North Public Library	Hamilton County Council
Hammond Public Library	Hammond City Council
Hancock County Public Library	Hancock County Council
Harrison County Public Library	Harrison County Council
Hartford City Public Library	City of Hartford Common Council
Henry Henley Public Library	Carthage Town Board
Huntingburg Public Library	Huntingburg City Council
Huntington City-Township Public Library	Huntington County Council
Hussey-Mayfield Memorial Public Library	Zionsville Town Council
Indianapolis Public Library	Indianapolis City-County Council
Jackson County Public Library	Jackson County Council
Jasonville Public Library	Jasonville City Council
Jasper County Public Library	Jasper County Council
Jasper-Dubois County Contractual Public Library	Jasper Common Council; Dubois County Council
Jay County Public Library	Jay County Council
Jefferson County Public Library	Jefferson County Council
Jeffersonville Township Public Library	Clark County Council
Jennings County Public Library	Jennings County Council
Johnson County Public Library	Johnson County Council
Jonesboro Public Library	City of Jonesboro
Joyce Public Library	Exempt - not a reporting district
Kendallville Public Library	Noble County Council
Kentland-Jefferson Township Public Library	Newton County Council
Kewanna-Union Township Public Library	Fulton County Council
Kingman-Millcreek Public Library	
Kirklin Public Library	Kirklin Town Council
Knightstown Public Library	Knightstown Town Council
Knox County Public Library	Knox County Council
Kokomo-Howard County Public Library	City of Kokomo Common Council
La Crosse Public Library	LaPorte County Council
LaGrange County Public Library	LaGrange County Council
La Porte County Public Library	La Porte County Council
Ladoga-Clark Township Public Library	Montgomery County Council
Lake County Public Library	Lake County Council
Lawrenceburg Public Library District	Dearborn County Council
Lebanon Public Library	Lebanon City Council
Ligonier Public Library	City of Ligonier Common Council
Lincoln Heritage Public Library	Spencer County Common Council
Linden Carnegie Public Library	Linden Town Council
Linton Public Library	Linton City Council
Logansport-Cass County Public Library	Cass County Council
Loogootee Public Library	Martin County Council
Lowell Public Library	Lake County Council
Marion Public Library	Marion Common Council
Matthews Public Library	
Melton Public Library	Orange County Council
Michigan City Public Library	Michigan City Common Council
Middlebury Community Public Library	Elkhart County Council
Middletown Fall Creek Township Public Library	Henry County Council
Milford Public Library	Kosciusko County Council
Mishawaka-Penn-Harris Public Library	St Joseph County Council
Mitchell Community Public Library	Lawrence County Council
Monon Town & Township Public Library	White County Council
Monroe County Public Library	Monroe County Council
Monterey-Tippecanoe Township Public Library	Pulaski County Council
Montezuma Public Library	Parke County Council
Monticello-Union Township Public Library	White County Council
Montpelier-Harrison Township Public Library	Blackford County Council
Mooreville Public Library	Mooreville Town Council
Morgan County Public Library	Morgan County Council
Morrisson Reeves Library	Richmond City Common Council
Muncie-Center Township Public Library	Muncie City Council
Nappanee Public Library	Elkhart County Council

Library Name	Declared Fiscal Body
New Albany-Floyd County Public Library	Floyd County Council
New Carlisle & Olive Township Public Library	St. Joseph County Council
New Castle-Henry County Public Library	Henry County Council
New Harmony Workingmen's Institute	New Harmony Town Council
Newburgh Chandler Public Library	Warrick County Council
Newton County Public Library	Newton County Council
Noble County Public Library	Noble County Council
North Judson-Wayne Township Public Library	Starke County Council
North Madison County Public Library System	Madison County Council
North Manchester Public Library	North Manchester Town Council
North Webster Community Public Library	Kosciusko County Council
Oakland City-Columbia Township Public Library	Gibson County Council
Odon Winkelpleck Public Library	Daviess County Council
Ohio County Public Library	Ohio County Council
Orleans Town & Township Public Library	Orange County Council
Osgood Public Library	Ripley County Council
Otterbein Public Library	Benton County Council
Owen County Public Library	Owen County Council
Owensville Carnegie Public Library	Gibson County Council
Oxford Public Library	Oxford Town Council
Paoli Public Library	Paoli Town Council (pending agreement/signature)
Parke County Public Library	Parke County Council
Peabody Public Library	Whitley County Council
Pendleton Community Public Library	Madison County Council
Penn Township Public Library	Jay County Council
Perry County Public Library	Perry County Council
Peru Public Library	Peru County Council
Pierceton & Washington Township Public Library	Kosciusko County Council
Pike County Public Library	Pike County Council
Plainfield-Guilford Township Public Library	Town of Plainfield
Plymouth Public Library	Marshall County Council
Porter County Public Library System	Porter County Council
Poseyville Carnegie Public Library	Posey County Council
Princeton Public Library	Gibson County Council
Pulaski County Public Library	Pulaski County Council
Putnam County Public Library	Putnam County Council
Remington-Carpenter Township Public Library	Jasper County Council
Ridgeville Public Library	Randolph County Council (Pending signature)
Roachdale-Franklin Township Public Library	Putnam County Council
Roann Paw-Paw Township Public Library	Wabash County Council
Roanoke Public Library	Roanoke Town Council
Royal Center-Boone Township Public Library	Cass County Council
Rushville Public Library	Rushville City Council
Salem-Washington Township Public Library	City of Salem City Council
Scott County Public Library	Scott County Council
Shelby County Public Library	Shelby County Council
Sheridan Public Library	Hamilton County Council
Shoals Public Library	Town of Shoals
South Whitley Community Public Library	Whitley County Council
Speedway Public Library	Speedway Town Council
Spencer County Public Library	Spencer County Council
Spiceland Town-Township Public Library	Henry County Council
St Joseph County Public Library	St. Joseph County Council
Starke County Public Library System	Starke County Council
Sullivan County Public Library	Sullivan County Council
Swayzee Public Library	Grant County Council
Switzerland County Public Library	Switzerland County Council
Syracuse-Turkey Creek Township Public Library	Kosciusko County Council
Thorntown Public Library	Boone County Council
Tippecanoe County Public Library	Tippecanoe County Council
Tipton County Public Library	Tipton County Council
Tyson Library Association Inc	Privately funded - not subject to binding review
Union City Public Library	City of Union City
Union County Public Library	Union County Council
Van Buren Public Library	Grant County Council
Vermillion County Public Library	Vermillion County Council
Vigo County Public Library	Vigo County Council
Wabash Carnegie Public Library	Wabash City Council
Wakarusa-Olive & Harrison Township Public Library	Elkhart County Council
Walkerton-Lincoln Township Public Library	Walkerton Town Board
Walton & Tipton Township Public Library	Cass County Council
Wanatah Public Library	LaPorte County Council (Pending signature)

Library Name	Declared Fiscal Body
Warren Public Library	Huntington County Council
Warsaw Community Public Library	Warsaw Common Council
Washington Carnegie Public Library	City Council of Washington, IN
Washington Township Public Library	Lynn Town Council
Waterloo-Grant Township Public Library	Waterloo Civil Town
Waveland-Brown Township Public Library	Montgomery County Council
Wells County Public Library	Wells County Council
West Lafayette Public Library	West Lafayette City Council
West Lebanon-Pike Township Public Library	Warren County Council
Westchester Public Library	Porter County Council
Westfield-Washington Public Library	Westfield City Council
Westville-New Durham Township Public Library	LaPorte County Council
Whiting Public Library	Whiting City Council
Willard Library Of Evansville	Evansville City Council (library reports they are already overseen through Evansville's budget)
Williamsport-Washington Township Public Library	Town of Williamsport
Winchester Community Public Library	Randolph County Council
Wolcott Community Public Library	White County Council
Worthington Jefferson Township Public Library	Greene County Council
York Township Public Library	Benton County Council
Yorktown Public Library	Yorktown Town Council