



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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September 27, 2023

TO: THE OFFICIALS OF ST. JOHN TOWNSHIP, LAKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of St. John Township (Township), Lake County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found because of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

**Comments**

**PENALTIES AND INTEREST - INTERNAL REVENUE SERVICE**

*Condition and Context*

The Township paid \$849 in penalties to the Internal Revenue Service on December 2, 2021, for failure to make proper federal tax deposits. After the Township was notified of the improper federal tax deposits, the Township contracted with an accountant to perform monthly reviews to ensure that tax payments were properly completed.

*Criteria*

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
As of December 31, 2022

Fund	Cash and Investments 12-31-22
TOWNSHIP	\$ 404,139
RECREATION	212,406
TOWNSHIP ASSISTANCE	226,918
FIRE FIGHTING	56,382
RAINY DAY FUND	389,044
CUM FIRE	267,106
HALL RENTAL	5,500
PAYROLL DEDUCTIONS	1,440
LOIT - PUBLIC SAFETY	2,481
DONATIONS FUND	35,420
SR CITIZEN TRANSPORT	32,248
Total	\$ 1,633,084

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Cathy Lareau, Trustee, on September 13, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner



# Office of the St. John Township Trustee

**CATHY J. LAREAU**

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Schererville, IN 46375

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Phone: (219) 865-2705

September 21, 2023

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: OFFICIAL RESPONSE

St. John Township, Lake County, Indiana, Audit for Calendar Years 2019 through 2022

This is a written response to the State Board of Accounts' Penalties and Interest – Internal Revenue Service comment that was presented during the St. John Township Exit Conference conducted on September 13, 2023.

I had an executive financial assistant working in that position from the end of February 2020 until the beginning of January 2021. She was responsible to make the federal tax deposits and to also sort through the Township mail. During the time of her employment, the Township was required to make monthly federal deposits. If the assistant received a letter from the IRS changing the frequency of the federal tax deposits, I was unaware of it. When a new executive financial assistant began working in January 2021, she continued with making monthly deposits. She, too, was unaware of the change. It was not until I received the August 2021 letter from the IRS that I became aware that we had been notified and required to have changed to the semiweekly deposit schedule. Once I became aware of that, we immediately complied by making the semiweekly deposits.

To prevent any future issues, I contracted with an accountant to perform monthly and quarterly reviews to ensure that all tax payments are submitted properly.

Respectfully submitted,

Cathy J. Lareau  
St. John Township Trustee