

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA  
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF TOPEKA

LAGRANGE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**

05/12/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Naomi Miller	01-01-20 to 04-01-22
	(Vacant)	04-02-22 to 04-10-22
	Jessica Slattery	04-11-22 to 01-20-23
	(Vacant)	01-21-23 to 03-26-23
President of the Town Council	Lea Parks	03-27-23 to 12-31-25
	Ron Troyer	01-01-20 to 01-08-23
	Doug Fought	01-09-23 to 07-01-24
	Adam Lambright	07-02-24 to 12-31-25



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# INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE TOWN OF TOPEKA, LAGRANGE COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Topeka (Town), for the period from January 1, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

April 30, 2025



CLERK-TREASURER  
TOWN OF TOPEKA

CLERK-TREASURER  
TOWN OF TOPEKA  
AUDIT RESULT AND COMMENT

**OVERDRAWN CASH BALANCES**

The same comment appeared in prior Reports B54875 and B56217.

*Condition and Context*

The Town did not have adequate internal controls in place to ensure cash and investment balances were not overdrawn. The Town had overdrawn cash and investment balances on December 31, 2022, and December 31, 2023, as noted in the following schedule:

Fund	December 31, 2022, Amount Overdrawn	December 31, 2023, Amount Overdrawn
REDEVELOPMENT BOND (SINKING)	\$ 617,036	\$ 936,646
SEWAGE UTILITY OPERATING	32,337	206,516
SEWAGE UTL DEPRECIATION	-	13,166
WATER UTILITY OPERATING	-	168,590

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF TOPEKA  
EXIT CONFERENCE

The contents of this report were discussed on April 30,2025, with Adam Lambright, President of the Town Council; Lea Parks, Clerk-Treasurer; and Cynthia Sadewasser, Deputy Clerk-Treasurer.