



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Village of Potsdam
Miami County
P.O. Box 52
Potsdam, Ohio 45361

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Potsdam, Miami County, (the Village) for the years ended December 31, 2023 and 2022.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2023 and 2022.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance issue to report.

Current Year Observation

Ohio Rev. Code § 2921.42(A)(1) states that no public official shall knowingly authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest. In addition, **Ohio Rev. Code § 102.03(D)** states no public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

The Ohio Ethics Commission has stated that voting on, recommending, deliberating about, discussing, lobbying, or taking any other formal or informal action within the scope of a public official's or employee's public authority is "use of," or "authorization of the use of" the authority or influence of a public official's or employee's office or employment. See Advisory Op. No. 88-005.

Village Council Member Kevin Swigart, Jr. potentially violated the above statutes by being involved in the following:

- On February 6, 2022, Mr. Swigart was paid \$300 by the Village for plowing snow. On the same date, Mr. Swigart communicated via an email that he plowed snow for the Village on February 4, 2022. At the Village Council meeting held on March 7, 2022, Mr. Swigart voted to approve a list of bills paid, which included the \$300 check to Mr. Swigart.

Current Year Observation (Continued)

- During 2022 and 2023, Autumn Swigart, Mr. Swigart's daughter, was paid \$40 to shovel snow at the Village building and paid \$3,770 to mow grass for the Village. To communicate the services provided and obtain payment for his daughter, Mr. Swigart informed the Village of the service provided via an email. At the applicable Village Council meeting, Mr. Swigart voted to approve a list of bills paid, which included the payments to his daughter. Of the 16 payments made to Autumn Swigart during the audit period, Mr. Swigart voted to approve payment in 13 instances.

Failure by officials of the Village to identify any possible conflict of interest and have no involvement in a potential contract or payments to potential related parties could result in a violation of ethics laws.

The Village should implement policies and procedures to verify that officials are not involved in any way with discussions, contracts, approvals, payments, etc. related to a potential related party or conflict of interest.

This matter will be referred to the Ohio Ethics Commission.

Current Status of Matters Reported in our Prior Engagement

Our prior basic audit engagement for the years ended December 31, 2021 and 2020 included non-compliance with **Ohio Rev. Code § 149.43(E)(2)** related to public records. This matter was corrected during the years ended December 31, 2023 and 2022.



Keith Faber
Auditor of State
Columbus, Ohio

November 25, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF POTSDAM

MIAMI COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/5/2024

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This report is a matter of public record and is available online at
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