

**CITY OF WASHINGTON
FINANCE & PERSONNEL COMMITTEE
MONDAY, MARCH 21, 2016
4:30 P.M.
CITY HALL CONFERENCE ROOM
301 WALNUT STREET**

AGENDA

- 1. NON-MEMBER ALDERMAN WISHING TO BE HEARD ON NON-AGENDA ITEM**
- 2. CITIZENS WISHING TO BE HEARD ON NON-AGENDA ITEM**
- 3. APPROVAL OF MINUTES** – December 7, 2015 and January 4, 2016 regular sessions
- 4. BUSINESS ITEMS**
 - A. Consideration of services outside scope of Municipal Services Fiber Project
 - B. MTCO Fiber Franchise Agreement Amendment
 - C. Extension of Audit Services Agreement
 - D. Health Insurance Renewal
 - E. Property & Liability Insurance Renewal
- 5. OTHER BUSINESS**
- 6. EXECUTIVE SESSION** – for the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, per 5 ILCS 120/2(c)(1) and for the purchase or lease of real property for the use of the public body, per 5 ILCS 120/2(c)(5) of the Illinois Open Meetings Act.
- 7. ADJOURNMENT**

**CITY OF WASHINGTON
WASHINGTON, ILLINOIS**

DRAFT

TO: Mayor Manier and City Council
FROM: Finance & Personnel Committee
DATE: January 8, 2016
SUBJECT: Report of Proceedings of Finance & Personnel Committee Meeting Held on Monday,
December 7, 2015

The meeting was called to order by Chairman Brucks at 5:30 p.m.

Present: Chairman Brucks, Mayor Manier, Alderman Butler

Also Present: Controller Baxter, Treasurer Dingleline

Public Present: Steve Hullcraz

AGENDA

1. Non-member Alderman wishing to be heard on a non-agenda item – None.
2. Citizens wishing to be heard on a non-agenda item – None.
3. Approval of Finance & Personnel Regular Minutes

Alderman Butler made a motion and Mayor Manier seconded to approve the October 5, 2015 regular session minutes. Motion carried.

Alderman Butler made a motion and Mayor Manier seconded to approve the October 12, 2015 regular session minutes. Motion carried.

Alderman Butler made a motion and Mayor Manier seconded to approve the November 9, 2015 regular session minutes. Motion carried.

4. Business Items

A. Write-off of Uncollectible Accounts – Controller Baxter reviewed the listing of uncollectible accounts that are being recommended for write-off at this time. Mayor Manier indicated he knew where a couple of the people listed worked. Staff indicated they would follow up with our collection agency to see if permissible to contact a past due customer at a work location. *It was later determined that this was not permissible to contact at a work location.* **Following discussion, on motion by Mayor Manier and second by Alderman Butler, the Finance and Personnel Committee agreed to recommend the City Council approve write-off of the uncollectible accounts.** City Treasurer Dingleline indicated that she also goes over reports and leak adjustments with Mary Westerfield on a quarterly basis. She suggested that in-house write-offs over a certain dollar amount be reviewed by someone other than Westerfield, and possibly consider capping the write-off. Baxter stated that going to monthly billing will help in this regard but policies and procedures for write-offs as well as rental property, inspection, etc. will be reviewed as well.

5. Other Business – None.

There being no further business to come before the Committee, the meeting was adjourned at 5:50 p.m.

DRAFT

**CITY OF WASHINGTON
WASHINGTON, ILLINOIS**

TO: Mayor Manier and City Council
FROM: Finance & Personnel Committee
DATE: January 8, 2016
SUBJECT: Report of Proceedings of Finance & Personnel Committee Meeting Held on Monday,
January 4, 2016

The meeting was called to order by Chairman Brucks at 5:30 p.m.

Present: Chairman Brucks, Mayor Manier, Alderman Butler

Also Present: Controller Baxter, Treasurer Dingleline, Public Works Director Andrews, Planning & Development Director Oliphant, Shane Larson – Hutchison Engineering

Public Present: Steve Hullcranz, Mike Ingold

AGENDA

1. Non-member Alderman wishing to be heard on a non-agenda item – None.
2. Citizens wishing to be heard on a non-agenda item – None.
3. Business Items
 - A. Square Streetscape Funding Discussion – Oliphant and Andrews reviewed funding options with the Committee regarding streetscaping and maintenance of Business Rte. 24. The Public Works Committee had previously asked Staff to look at a comprehensive analysis of the Square streetscape. Oliphant would like to potentially leverage TIF funding as local match for a grant application for funds for streetscaping on the Square should such a program be announced for this year. In addition, Andrews indicated that dialogue has begun with IDOT concerning a potential for a jurisdictional transfer (JT) in which the City would take over the maintenance of and liability for Business Rte. 24 under an upfront lump sum payment or “upgrade and turnover” project should it be found to be an equitable consideration. This could also help to better position IDOT and the City for Federal assistance in the next round of federal transportation funding. Oliphant said it would be important to develop and plan for the Square and surrounding area. The Committee indicated its support and directed Staff to finalize the scope and present a contract for such a plan to the Council for review and approval.
4. Other Business – None.

There being no further business to come before the Committee, the meeting was adjourned at 6:07 p.m.

CITY OF WASHINGTON
Joan E. Baxter, C.P.A. - Controller
301 Walnut Street
Washington, IL 61571

Ph. (309) 444-1124
Fax (309) 444-9779
jbaxter@ci.washington.il.us
www.ci.washington.il.us

MEMORANDUM

TO: Mayor Manier and Finance & Personnel Committee
FROM: Joanie Baxter, Controller *JEB*
DATE: March 18, 2016
SUBJECT: Request for Payment of Service Outside Project Scope

Attached is a letter from Scott Stevens of Clifton Larson Allen requesting consideration for payment of services outside the scope of the fiber project. As you may recall, professional services NTE \$9,000 were approved on November 7, 2014 in conjunction with the fiber data network project connecting City facilities.

Multiple bills have been received that were not paid due to being in excess of the approved amount. Scott indicated that significant discounts were applied as the project costs were almost double what they were anticipated to be for a variety of reasons. After applying the discounts, a balance of \$4,552.50 still remains on the account for services that were outside the scope of the project as contemplated. A breakdown of these services is detailed on the attached letter.

Consideration of this matter will be on the agenda for the Finance & Personnel Committee meeting of March 21, 2016.

C: Jim Culotta, City Administrator



CliftonLarsonAllen LLP
301 SW Adams Street, Suite 900
Peoria, IL 61602
309-671-4500 | fax 309-671-4508
www.cliftonlarsonallen.com

March 14, 2016

Joanie Baxter, Controller
City of Washington
301 Walnut Street
Washington, IL 61571

Dear Ms. Baxter:

Thank you for the opportunity to serve the City of Washington on the fiber installation project. We are requesting payment of \$4,552.20 for services rendered outside of the scope of our 10/1/2014 proposal (outstanding amount remaining after discount). Following is information related to the services provided.

Services rendered prior to 9/30/2014 – CLA services rendered prior to 9/30/2014 were not considered as part of the fiber installation project and were invoiced separately – **\$1,317.50**.

Services related to the wireless bridge connection between Police and Evidence - **\$736.62** – (\$620.00 on 12/4/2014, and \$116.62 expense for exterior-grade network lines). The wireless bridge solution was installed in lieu of ongoing operational expenditures.

Support items that should have been invoiced outside of the scope of the fiber installation project to include **(\$920.00)**:

1/2/15 – MacBook connection issue at PD (\$72.50)

1/9/15 – Support with cellular phone not accessing City e-mail (\$32.50)

1/22/15 – Support with corrupt profile on Don's machine (\$195.00)

1/23/15 – Support with UTM filters at City Hall due to FortiGate contract expiration (\$310.00)

1/27/15 – Support with open relay prevention e-mail transmission to AT&T (\$310.00)

Services rendered onsite to bring up the fiber connection between City Hall and the Police Station required five visits, due to the nature of the MTCO connections and the customizations necessary to support the City of Washington's needs. We had budgeted \$1,500 for this phase of the project and incurred over \$4,500 in time and expense just for the City Hall to Police Department connection. Discounts have been applied, leaving a balance of **\$1,578.58**.

Thank you for your consideration of this matter. If you have questions regarding these amounts, please contact Chris Plachno at our office.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Scott E. Stevens'.

Scott E. Stevens
Principal

Date	Description	Amount	Not Incl in scope
9/17/2014	Design for fiber installation	310	
9/23/2014	Onsite service to meet with Bill at Legion Rd. facility to discuss data, SCADA, and phone needs at lift stations and other buildings. Discuss current configuration and SCADA needs, obtain contact information for controller provider. Call	620	
9/24/2014	Call to Pekin for company who operates the control units on lift stations for Washington to find if they are SCADA ready	232.5	
9/25/2014	Coordinate meeting with appropriate parties at MTCO and at Washington for 10/10.	155	
		1317.5	1317.5
10/10/2014	Onsite meeting for fiber project with MTCO, IDOT, and Washington personnel	542.5	
10/23/2014	Fiber project calls and followup with Joanie Baxter, schedule meeting for next week.	155	
10/30/2014	Onsite meeting with Joanie and Ed regarding fiber project.	542.5	
11/7/2014	Fiber project planning, call with MTCO, call with Police department regarding connection of Evidence building.	155	
11/24/2014	Fiber project PM-orders for hardware	155	155
12/1/2014	Fiber project - configure four Mikrotik radios, prepare documentation and prepare for installation.	465	465
12/2/2014	Wrap up configuration for wireless radios, prepare to take onsite.	155	
12/8/2014	Remote - Updated firmware and configured new FortiGate 60D for Police Department. Updated firmware on 90D.	435	
12/10/2014	Remote - Tested IPSec VPN setup between FortiGate and EdgeRouter Lite	72.5	
12/10/2014	Fiber project cabling for Police facility, work on backups	232.5	
11/24/2014	(4) Mikrotik RBSXT wireless radios from Roc-Noc	398.97	
		3308.97	398.97

12/3/2014	Remote - Performed more testing with jPerf and inspected switch / router configs for possible issues	290	
12/4/2014	Onsite assessment for wireless connection between Police and Evidence buildings, review backups and server operation, take delivery on FortiGates and provide to Cain to build and prepare for install.	620	620
12/8/2014	Remote service with scheduling of fiber install, call with Nick at MTCO and followup with Joanie to coordinate schedules with amendments and facilities	155	
		1065	

1/2/2015	Remote - Steve's document was on a non backed-up external drive and could not be recovered. Assisted him with nation file. Machine connected to the shared folder as PC11CEN1, also function for Eureka account	72.5
1/9/2015	Remote support with Joanie to troubleshoot Kevin's phone not function	32.5
1/13/2015	Fiber project, obtain IP information from Nick at MTCO and coordinate install for next Tuesday.	155
1/19/2015	Remote - Configured FortiGates for City Hall and Police Department in prep for install	725
1/20/2015	On-site support with Ryan Cain to set up the new FortiGates for the MTCO fiber internet	260
1/20/2015	Combined travel time from CLA to CoW Police Department and City Hall	108.75
1/20/2015	Remote - Contacted MTCO about standing up MPLS connection. Re-worked configuration on both FortiGates to account for this change	290
1/20/2015	Remote - Continued work on FortiGate configs	145
1/20/2015	On-site - Installed new FortiGate 90D at City Hall and FortiGate 60D at Police Department. Connected both FortiGates to new MTCO fiber internet connection. Waiting on MTCO to stand up MPLS before we can proceed further.	217.5
1/20/2015	Drive to city hall from CLA Peoria office.	48.1
1/21/2015	Remote - Worked with MTCO to resolve issues with new MPLS circuit. reconfigured FortiGate units to account for changes in infrastructure.	797.5
1/22/2015	Remote support to troubleshoot Don's machine not showing the desktop after log in. Researched issue, found a work-around, uninstalled malicious programs, ran Malwarebytes, performed	195
1/23/2015	Support with UTM filters at City Hall upon expiration of FG device. Request 30-day extension from Fortinet and re-enable filters after account updated/extended. Call with MTCO and then Joanie regarding fiber installation.	310
1/23/2015	Remote - Worked on new FortiGate configs	217.5
1/27/2015	On-site - Tested WAN cutover at Police Dept and City Hall. Possible issue with MTCO's configuration, need to work with their support and re-attach	95.7
1/27/2015	Remote - Worked on FortiGate configs for City Hall and PD	290
1/27/2015	Found open relay preventing e-mail transmission to AT&T, add filters at FortiGate and request removal from SORBS, confirm removal after a couple hours of resolution e-mail confirmation	310
1/27/2015	On-site support with Ryan Cain to swap FortiGates.	65
1/27/2015	Drive to city hall from CLA Peoria office.	48.1
1/27/2015	Travel between CLA and CoW	72.5
1/30/2015	Fiber project schedule, update from Cain, call MTCO, schedule call next Monday at 10:30 with Ed.	155
1/30/2015 3:12 PM	Drive from Peoria CLA office to Washington City Hall and back 24 miles.	13.8
1/30/2015 3:12 PM	Drive from Peoria CLA office to Washington City Hall and back 24 miles.	13.8
2/3/2015	Remote - Troubleshoot internet connection issues with new FortiGate units at City Hall and PD	580
2/3/2015	Oberlander Inv# 02/02/15 - Labor and Outdoor Cables for Police/Evidence Link	116.62
2/10/2015	Drive from Peoria CLA office to city hall.	24.7
2/10/2015	On-site support with Ryan Cain to assist with ISP cut-over. Added additional services to MTCO's host	227.5
2/10/2015	Remote - Rebuild FortiGate config for City Hall and PD	290
2/10/2015	On-site - Performed cutover and testing at PD in coordination with Ryan Mahajan at City Hall	217.5
2/10/2015	Travel to/from CLA/City of Washington	60.9
2/11/2015	Remote - Reviewed config for Cisco devices on the network in prep for reconfiguration. VLANs across all devices	362.5
2/12/2015	Remote - Worked on reconfig of switches	290
2/16/2015	Remote - Finalized new configs, scheduled cutover for 2/17 at 4:30PM	145
2/17/2015	On-site - Worked with RW on cutover to fiber/MPLS. All worked well except for phones at City Hall. Will work with Joanie to troubleshoot	398.75
2/17/2015	Drive from CLA Peoria office to city hall.	24.7
2/17/2015	On-site support with Ryan Cain to assist with the ISP cut-over.	276.9
2/18/2015	Remote support with Joanie and Ryan Cain to assist with the ISP cut-over.	65
2/18/2015	Remote - Reconfiguration of City Hall and PD FortiGates	217.5
2/18/2015	Remote - Worked with Kent to test cutover at PD	108.75
2/19/2015	Remote - Rewrote config file for City Hall FortiGate / restored new config for devices	145
2/20/2015	Remote - Worked with Joanie and Kent over the phone to perform cutover. Tested functionality of all services. Contacted Century Network to update DNS record for mail server.	217.5

8407.07

3/23/2015	Research and place order for Mikrotik devices for Water and WWTP2 locations	162.5
3/25/2015	Remote - Began setup of Mikrotik devices	217.5
3/26/2015	Remote - Worked on router setup	362.5
3/27/2015	Remote - Worked on router setup. Tested functionality in small test environment in-house.	435
3/30/2015	Remote - Finished config of RB750 routers for WWTP2 and WATER1	290
3/31/2015 5:34 PM	(2) Mikrotik RB/750GL 5-Port Routers for Water Plant and WWTP2 locations.	137.16
4/1/2015	Remote - Updated both routers to latest firmware and set up OSPF, also enabled OSPF on City Hall and PH Leontis Gates	145
4/8/2015	On-site - Tested fiber installation at Legion Rd facility. Installed RB750 routers at WATER1 and WATER2 and tested functionality.	217.5
4/8/2015	Onsite for cut-over of Legion Rd (need network cable), WTP1 cut-over and setup new computer, configure WTP2, onsite at City Hall to add printer for Mary and Linda. Inactive on status.	812.5
4/8/2015	Travel to/from CLA and various CoW locations	108.75
5/20/2015	Meet with Kevin Schoney for installation of wireless bridges for Evidence Building	81.25
		2969.66
		4130.25

\$17,068.20 Total WIP Relieved to project

\$9,000.00 Total Proposed Amount

\$8,068.20 WIP over proposal

\$4,552.50 Amount invoiced over proposed

CITY OF WASHINGTON
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M E M O R A N D U M

TO: Mayor Manier and Finance & Personnel Committee
FROM: Joanie Baxter, Controller *JB*
DATE: March 18, 2016
SUBJECT: Audit contract extension proposal

Attached is a proposal for a one year extension to our audit contract with Phillips-Salmi. Phillips-Salmi has been conducting the audit since FY2010 and staff has been very pleased with the services they have provided. The contract fees have remained unchanged at \$25,600 (\$28,000 if a single audit is required) during this time period.

There is potential legislation that may mandate rotation of audit services in the future and therefore staff felt it best to request only a one year extension to the contract at this time. Phillips-Salmi has offered a proposal for a one year contract of \$25,600 and \$28,100 should a single audit be required.

Staff requests Committee's consideration of this proposal and recommendation of approval to the City Council.

C: Jim Culotta, City Administrator

CITY OF WASHINGTON, ILLINOIS
PROPOSAL TO PROVIDE PROFESSIONAL
AUDITING SERVICES

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Phillips, Salmi & Associates, LLC

Certified Public Accountants

March 11, 2016

City of Washington
Attn: Mrs. Joanie Baxter, CPA
301 Walnut Street
Washington, IL 61571

Dear Joanie,

Thank you for considering Phillips, Salmi & Associates, LLC to provide the financial statement audit of the City of Washington. We welcome the opportunity to continue to serve your organization.

As you know, Phillips, Salmi & Associates, LLC is a public accounting firm located in Washington, Illinois. We bring a combined 50 years of governmental experience to our clients. This extensive knowledge with governmental entities not only enables us to perform the requested services, but we also provide valuable insights and recommendations to improve your organization's operations.

We have enjoyed working with you, your management team and elected officials. We look forward to a positive response to our proposal and working with you in the future. Please contact us if you have any questions or would like more information.

Sincerely,

PHILLIPS, SALMI & ASSOCIATES, LLC

Aaron Phillips, CPA
Principal

Lori Salmi, CPA
Principal

WHAT YOU CAN EXPECT

Firm Information

Phillips, Salmi & Associates, LLC is a certified public accounting firm located at 112 South Main Street, Washington, Illinois. The firm was founded in 2010 by Aaron Phillips and Lori Salmi. Currently, our firm is comprised of two partners, one audit manager, three staff accountants and an administrative assistant. Our firm is committed to delivering high quality audit, taxation, and consulting services to governmental entities and nonprofit organizations at a reasonable fee. We accomplish this through timely service and turnaround between audit fieldwork and delivery of audited financial statements, providing value added business and accounting recommendations, and being available for consultation throughout the year.

Professional Memberships and Quality

- American Institute of Certified Public Accountants (AICPA)
 - Governmental Audit Quality Center
 - Employee Benefit Plan Audit Quality Center
- Illinois CPA Society

Client Service Providers

In working with you, Aaron Phillips and, audit manager, Pam Gonigam will be actively involved as the City's client service providers. Lori Salmi will perform quality control duties. Partners and managers will be onsite at the City during audit fieldwork performing the necessary audit procedures. Our firm members have met all continuing educational requirements. Additional staff will be determined based on scheduling and engagement needs.

Background information about each appears at the end of this proposal.

Our experience goes beyond auditing; we have provided consulting services to local governments on a number of emerging issues including:

- Water and sewer rate analysis
- Budgeting and long-term fiscal planning
- Capital project financing analysis
- Debt issuance and covenant compliance

FEE STRUCTURE

Scope of Services

The all-inclusive fee proposal includes the financial statement audit, on the modified accrual basis of accounting, of the City of Washington and preparation of the City's financial statements and annual financial report (AFR). In addition, included in the fee, is the preparation of separate financial statements for the tax increment financing (TIF) district.

Fee

We are pleased to present our proposal, as shown below, to perform the audit of the City of Washington, Illinois for the year ending April 30, 2016. This fee is based on anticipated cooperation from your personnel and completion, by City elected officials & staff, of the annual client assistance listing. If unexpected circumstances require significant additional time, we will discuss it with you before we incur such costs.

April 30, 2016

\$25,600

Should the City be required to have a single audit performed in accordance with OMB Circular A-133 the fee is expected to be \$2,500.

AUDIT TIMELINE

The audit timeline will be mutually agreed upon with the City. Below is an approximation of when we would expect to complete the following audit activities:

Event	Timeframe	Person(s) Assigned
I. Preliminary Planning During this phase of the audit, we would meet with representatives of the City to discuss the approach to be taken during the audit, focusing on areas of particular concern to the City, as well as areas of high audit risk, and develop the time schedule for completing the subsequent phases of the audit.	April/May	Partners & Manager
II. Preliminary Fieldwork During this phase of the audit, we would develop an understanding and documentation of the City's accounting controls using the City's accounting procedures manual and by interviewing staff of the City to document the flow of transactions. In addition, we may perform testing of controls and transactions at this time. Sample sizes and selections would be determined at this phase. In addition, we would review all minutes from the meetings of the City council; review all ordinances adopted by the City during the year; review any debt agreements entered into during the year and analyze any other unique transactions entered into by the City. Upon completion of this phase, we would finalize all necessary confirmation the City will prepare; review all proposed client assisted work papers and the timing of preparation by the City; develop our audit programs for the next phase of the audit; and prepare a schedule for the remainder of the audit.	June/July	This phase would be completed by one or both partners, manager, and one to two professional staff.
III. Fieldwork During this phase of the audit, we would complete all of our substantive testing of account balances and prepare a draft of the City's financial statements.	August	This phase would be completed by one or both partners, manager, and one to two professional staff.

IV. Workpaper and Report Review

During this phase of the audit, the identified key audit areas and drafts of all financial reports will be reviewed by the non-engagement partner as part of our internal control procedures.

September

This phase will be completed in accordance with our Quality Control policies.

V. Drafts to the City

We will deliver a draft of the annual financial report by September 30th. The draft will be discussed and reviewed with City representatives as deemed necessary.

September

This phase would be completed by the engagement partner and/or manager.

VI. Completion of Audit

Upon approval of the drafts by the City, we will present the signed, bound copies of the annual financial report, the management letter and the additional reports described in this proposal by the October due date.

October

This phase would be completed by the engagement partner.

BIOGRAPHICAL INFORMATION

Lori R. Salmi, CPA

Managing Partner

Lori provides accounting, auditing and advisory services to clients in small businesses, local government, nonprofit organizations, nursing homes and other health care organizations, and employee benefit plans. Lori also provides peer review services to other CPA firms. In addition to working closely with her clients, Lori has responsibility for the day-to-day operations of the firm.

Lori received her bachelor's degree from Illinois State University and has more than 25 years of public accounting experience. Prior to forming Phillips, Salmi & Associates, LLC in 2010, Lori was the assurance department head and shareholder at a certified public accounting firm in the Peoria, Illinois area.

Lori is a member of the American Institute of Certified Public Accountants (AICPA) and the Illinois CPA Society. She has served on the Illinois CPA Society's Peer Review Report Acceptance Committee and the Nonprofit Organizations Committee.

Lori, her husband Bill, and their two children live in Washington. Lori's outside interests include youth hockey programs, traveling and golfing with her family.

Aaron Phillips, CPA

Client Service Partner

Aaron provides accounting, auditing and tax advisory services to clients in construction, manufacturing, retail, local governments, nonprofit organizations and employee benefit plans. He received his bachelor's degree from Bradley University, and has more than 14 years of public accounting experience.

Aaron leads the tax and small business consulting areas of the firm and is a member of the AICPA tax section. Regularly consulting with small businesses and their owners on accounting and tax matters, Aaron seeks to develop and implement client specific strategies to minimize tax obligations over the long term.

Outside of tax season, Aaron works closely with local governments and non-profits providing audit services. In conjunction with the firm's core values, Aaron is regularly working at the client's office providing services. This face-to-face interaction facilitates the firm's focus on providing clients value added communication.

Aaron is actively involved in the community, currently serving as the treasurer and advisor to the Contemporary Art Center of Peoria. In addition, Aaron manages crop production of his family farming operation in Bureau County.

Aaron and his wife, Jamie, live in Washington and spend most of their time with their two children. Most nights and weekends the family can be found at their children's extracurricular activities. They also enjoy outdoor activities, such as camping, and spending time with extended family and friends.

Pam Gonigam, CPA

Audit Manager

Pam provides auditing and advisory services to clients in small businesses, local government, nonprofit organizations, nursing homes and employee benefit plans.

Pam graduated from Morton High School and received her bachelor's degree from Bradley University. She has more than 12 years of public accounting experience. Prior to joining Phillips, Salmi & Associates, LLC in 2015, Pam was an assurance manager at one of the top ten certified public accounting firms in the nation.

Pam is a member of the American Institute of Certified Public Accountants (AICPA) and the Illinois CPA Society.

Pam's community involvement includes serving as a trustee for the local library district and performing treasurer duties for her church.

Pam and her husband Bob live on the family farm near Ohio, Illinois. Pam's interests include traveling, hiking and biking.



GUTHOFF MEHALL ALLEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

August 13, 2014

To the Members
Phillips, Salmi & Associates, LLC
and the Peer Review Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Phillips, Salmi & Associates, LLC. (the firm) in effect for the year ended December 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Phillips, Salmi & Associates, LLC in effect for the year ended December 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Phillips, Salmi & Associates, LLC has received a peer review rating of *pass*.

Guthoff Mehall Allen & Company, P.C.

Guthoff Mehall Allen & Company, P.C.