

Clinton Community Library
Report to the Board of Trustees

December 31, 2016

CLINTON COMMUNITY LIBRARY

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

June 7, 2017

To the Board of Trustees
Clinton Community Library
1215 Centre Road
Rhinebeck, NY 12572

Attention: Board of Trustees

We are pleased to present this report related to our audit of the financial statements of Clinton Community Library, a non-profit Library, for the year ended December 31, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Library's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to Clinton Community Library.

Very truly yours,

RBT CPAs, LLP

James F. Letterio, Jr.
Director

Clinton Community Library Report to the Board of Trustees

Required Communications

Generally accepted auditing standards (AU-C 260, The Auditor's Communication With Those Charged With Governance) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibility with Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated April 10, 2017.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Management has elected to present the financial statements using the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Library. The Library did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Summary of Significant Accounting Estimates.

Summary of Recorded Audit Adjustments

Audit adjustments recorded by the Library are shown on the attached "Summary of Recorded Audit Adjustments." These entries have been reviewed and accepted by Denise Biery, Bookkeeper.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Letter Communicating Control Deficiencies

Attached as Exhibit A is the letter communicating control deficiencies identified during our audit of the financial statements.

Newly Issued FASB Standards

Information regarding newly issued FASB standards impacting the Organization are attached as Exhibit B.

Significant Written Communications between Management and Our Firm

Copies of significant written communications between our firm and the management of the Library are attached as Exhibit C.

Clinton Community Library
Summary of Recorded Audit Adjustments
As of and for the Year Ended December 31, 2016

**Clinton Community Library
Summary of Recorded Audit Adjustments
Year Ended December 31, 2016**

Number	Date	Name	Account No	Debit	Credit
1	12/31/2016	Citizens (Checking)	1000		(332.00)
		Accumulated depreciation	1455	3.00	
		Net assets	3200	329.00	
		To adjust 12/31/16 beginning TB			
2	12/31/2016	Accrued Expenses	2000		(6,000.00)
		Accounting fees:Financial Review	5051	6,000.00	
		To accrue audit fee			
3	12/31/2016	Net assets	3200	1,684.00	
		Personnel Expenses:Payroll Expenses	5000		(1,565.00)
		Personnel Expenses:Social Security & Medicare T	5003		(119.00)
		To reverse 2015 accrual that RBT posted during audit			
4	12/31/2016	Accrued Wages & Taxes	2001		(2,588.00)
		Personnel Expenses:Payroll Expenses	5000	2,404.00	
		Personnel Expenses:Social Security & Medicare T	5003	184.00	
		To record payroll accrual for 12/31/16			

**Clinton Community Library
Summary of Recorded Audit Adjustments
Year Ended December 31, 2016**

Number	Date	Name	Account No	Debit	Credit
5	12/31/2016	Accumulated depreciation	1455	269,247.00	
		Accumulated depreciation	1455	3,017.00	
		Books	1460		(280,330.00)
		Books	1460		(4,385.00)
		Books:Adult Fiction	1461		(73.00)
		Books:Adult Non-Fiction	1462		(392.00)
		Books:Adult Non-Fiction	1462		(85.00)
		Net assets	3200	11,083.00	
		Book Purchases	5200	4,385.00	
		Book Purchases:Adult Fiction	5203	73.00	
		Book Purchases:Adult Non-Fiction	5204	392.00	
		Book Purchases:Children Fiction	5205	85.00	
		Depreciation expenses	6000		(3,017.00)
		To write off books from fixed assets from PY and reclass current year additions to expense			
6	12/31/2016	Citizens Bank Battle of the Books	1010	2,319.00	
		Battle of the Books Liability	2500		(2,319.00)
		To record the Battle of the Books asset and liability			

Exhibit A – Letter Communicating Management Suggestions



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

June 7, 2017

To the Board of Trustees
Clinton Community Library
1215 Centre Road
Rhinebeck, NY 12572

In planning and performing our audit of the financial statements of Clinton Community Library (the Library) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The following matters are considered to be significant deficiencies:

Bank Reconciliations

Bank reconciliations are being prepared by the bookkeeper monthly. However, neither the bank statements nor bank reconciliations are being reviewed. There was a significant discrepancy on the December 31, 2015 bank reconciliation where a deposit was cleared in December but was not recorded until January, causing the bank reconciliation not to tie to the trial balance. RBT recommends that all bank statements and reconciliations are reviewed by a Board member to ensure that any potential errors or questionable items are detected and addressed in a timely manner.

Additionally, RBT noted that there are outstanding items on the bank reconciliations that date back to 2011. RBT recommends that the Library clean up the bank reconciliation by voiding stale dated checks and old outstanding deposits.

**Clinton Community Library
Report to the Board of Trustees**

Timesheets and Expenses

RBT noted that the Library employees are completing timesheets but that the timesheets are not being reviewed. As a best practice, timesheets should be reviewed and signed by the Executive Director to ensure that all employees are recording the correct number of hours worked.

Additionally, RBT noted that invoices are not consistently signed as approved. The majority of expenses are verbally approved or approval is implied when the Executive Trustees gives the invoices to the bookkeeper. RBT recommends that either all invoices are signed or initialed as approved or that a voucher system is implemented requiring each invoice/expense to have a signed voucher before payment processed.

The following matters are management suggestions:

Capitalization Policy

Currently, the Library has not adopted a capitalization policy. RBT recommends that the Library adopt a fixed asset capitalization policy stating the threshold for purchases to be treated as a capital asset, rather than an expense.

Sales Tax

RBT noted that there was a purchase at Staples where the sales tax exempt form was not utilized. Since the Library is tax exempt, RBT recommends that the sales tax exempt form be utilized on all purchases in order to avoid incurring unnecessary expenses.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

RBT CPAs, LLP



James F. Letterio, Jr.
Director

Exhibit B – Newly Issued FASB Standards

**Clinton Community Library
Report to the Board of Trustees**

Effective for December 31, 2018 financials – Adoption required.

Accounting Standards Update [No. 2016-14](#), *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, decreases the number of net asset classes from three to two. The new classes will be *net assets with donor restrictions* and *net assets without donor restrictions*.

Currently, the Library does not net assets with donor restrictions. Since the Library can receive restricted net assets at any time, RBT recommends that the Library adopt the change and present net asset classes within the financials as “net assets with donor restrictions” and “net assets without donor restrictions.”

The standard also:

- Requires reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions and enhances disclosures about underwater endowments.

Since the Library has no donor-restricted endowment funds, this requirement will not impact the reporting of the Library’s financial statements.

- Continues to allow preparers to choose between the direct method and indirect method for presenting operating cash flows, eliminating the requirement for those who use the direct method to perform reconciliation with the indirect method.

The cash flows for Library are currently based on the indirect method. This requirement will not have an impact on the Library.

- Requires a not-for-profit to provide in the notes qualitative information on how it manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes.

The Library will be required to include these disclosures. RBT will provide several examples which can be used as models to address the specific circumstances.

- Requires reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature.

The Library does not currently disclose the functional expenses on its financial statements. This requirement will have an impact on the Library’s financial statements. .

**Clinton Community Library
Report to the Board of Trustees**

Effective for December 31, 2019 financials – Adoption required

The Financial Accounting Standards Board (FASB) issued [Accounting Standards Update \(ASU\) 2014-09, Revenue from Contracts with Customers \(Topic 606\)](#), in May 2014. It is effective for periods beginning after December 15, 2018 for nonpublic entities. Early application is permitted.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

FASB will be issuing guidance to assist not-for-profit entities with determining which types of transactions are subject to the new revenue recognition standard. The effect of the new standard on the Library should be classified in the forthcoming year.

**Clinton Community Library
Report to the Board of Trustees**

Effective for December 31, 2020 financials – Adoption required.

The Financial Accounting Standards Board (FASB) issued [Accounting Standards Update \(ASU\) 2016-02, Leases \(Topic 842\)](#), on February 25, 2016. It is expected to be effective for periods beginning after December 15, 2019 for nonpublic entities. Early application is permitted.

Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories:

- Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments.
 - Interest on the liability will be recognized separately from amortization of the asset.
 - Principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows.
- Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments.
 - A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense.
 - All cash outflows will be classified as operating on the statement of cash flows.

For sale leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met.

- If there is no sale, the buyer-lessor does not recognize the transaction as a purchase.
- Consideration paid for the asset is treated as a financing transaction.

The Library does not currently have any lease obligations. This requirement will not have an impact on the Library.

**Exhibit C - Certain Written Communications Between
Management and Our Firm**



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

April 10, 2017

Board of Trustees
Barbara Burns, Chair
Clinton Community Library
1215 Centre Rd
Rhinebeck, NY 12572

Attention: Board of Trustees

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Clinton Community Library ("the Library"), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities, Functional Expenses, and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

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Newburgh, NY 12550
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2678 South Road, Suite 101
Poughkeepsie, NY 12601
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F: (845) 485-5547

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790
T: (845) 888-5656
F: (845) 888-2789

We will also communicate to the Board of Trustees (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

Our services under this Arrangement Letter do not include services for tax return preparation, tax advice, or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence, and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions, the information provided during these discussions should not be used as the basis for proceeding with any transaction or any tax return reporting.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- (a) For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- (b) To evaluate subsequent events through the date the financial statements are issued or available to be issued and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that they will not date the evaluation of subsequent events earlier than the date of the management representation letter referred to below;
- (c) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (d) To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit; and
 - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit including among other items:

- (a) That management has fulfilled its responsibilities as set out in the terms of this letter; and
- (b) That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Library complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Library involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any allegations of fraud affecting the Library received in communications from employees, former employees, participants, regulators, analysts, or others.

The Board of Trustees is responsible for informing us of its views about the risks of fraud within the Library, and its knowledge of any fraud or suspected fraud affecting the Library.

Because the Firm will rely on the Clinton Community Library and its management and Board of Trustees to discharge the foregoing responsibilities, the Clinton Community Library holds harmless and release the Firm, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Clinton Community Library's management which has caused, in any respect, the Firm's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances arise relating to the condition of the Library's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which, in our professional judgment, prevent us from completing the audit, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report or withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Library's books and records. The Library will determine that all such data, if necessary, will be so reflected. Accordingly, the Library will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Library personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with Denise Biery. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Non-Attest Services to be Performed

1. We will provide the following services:

- (b) ; Functional Expenses,

RBT CPAs, LLP will not assume management responsibilities on behalf of the Library. However, we will provide advice and recommendations to assist management of the Library in performing its responsibilities.

2. Clinton Community Library's responsibilities are as follows:

The Library agrees to perform the following responsibilities in connection with the Firm's provision of the non-attest services listed above:

- (a) Assume all management responsibilities, including determining account codings and approving all proposed journal entries.
- (b) Assign Denise Biery, to oversee the services and evaluate the adequacy and results of the services.
- (c) Accept responsibility for the results of the services, including the tax returns, financial statements, and fixed asset/depreciation schedules.

3. RBT CPAs, LLP's responsibilities and limitations of the engagement are as follows:

- (a) RBT CPAs, LLP will perform the services in accordance with applicable professional standards.
- (b) This engagement is limited to the services previously outlined. RBT CPAs, LLP, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries. RBT CPAs, LLP will advise the Library with regard to tax positions taken in the preparation of the tax returns, but the Library must make all decisions with regard to those matters.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. We propose that our fees this audit engagement will range from \$5,000 to \$6,000 for the year ended December 31, 2016. Our fee estimate

and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from Library personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

It is agreed by the Clinton Community Library and RBT CPAs, LLP that, should you hire any of our professionals assigned to this project within eighteen months of this assignment, you will be billed 100 percent of their current annual salary. This additional fee is being charged to offset recruitment, training and development expenses we would incur to replace this person. In addition, our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by, or associated with, a client in a key position.

Accordingly, the Library agrees it will compensate RBT CPAs, LLP for any additional costs incurred as a result of the Library's employment of a partner or professional employee of RBT CPAs, LLP.

You may terminate the arrangement at any time by written notice to us. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring files to and otherwise cooperating with any successor auditor. All provisions of this arrangement will survive termination or cancellation, except that (a) we will not have any obligation to provide services after termination and (b) you will not have any obligation to pay us for any services that we perform after termination, except for costs incurred to cooperate with a successor auditor or regulatory agency subpoena or inquiry.

In the event we are requested or authorized by the Clinton Community Library, or are required by government regulation, subpoena, or other legal process, to produce our documents or our personnel as witnesses with respect to our engagement for Clinton Community Library, the Library will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of RBT CPAs, LLP and constitutes confidential information. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RBT CPAs, LLP audit personnel and at a location designated by our Firm.

Claim Resolution

Clinton Community Library and RBT CPAs, LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by RBT CPAs, LLP or the date of this arrangement letter if no report has been issued. Clinton Community Library waives any claim for punitive damages. RBT CPAs, LLP's liability for all claims, damages and costs of Clinton Community Library arising from this engagement is limited to the amount of fees paid by Clinton Community Library to RBT CPAs, LLP for the services rendered under this arrangement letter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Clinton Community Library

April 10, 2017

Page 5

Reporting

We will issue a written report upon completion of our audit of Clinton Community Library's financial statements. Our report will be addressed to the Board of Trustees of Clinton Community Library. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

This letter constitutes the complete and exclusive statement of agreement between RBT CPAs, LLP and Clinton Community Library, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities. We appreciate your business.

Sincerely,

RBT CPAs, LLP



James F. Letterio, Jr., CPA
Director

Confirmed on behalf of the addressee:

Barbara A. Burns, President
Board of Trustees

4/15/17
Date

June 7, 2017

RBT CPAs, LLP
2678 South Road
Suite 101
Poughkeepsie, NY 12601

This representation letter is provided in connection with your audit of the statement of financial position of Clinton Community Library (“the Library”) as of December 31, 2016 and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

We confirm, to the best of our knowledge and belief, that as of June 7, 2017:

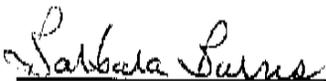
Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 10, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Library from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of allegations of fraud or suspected fraud, affecting the Library's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Library's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
15. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
16. We have disclosed to you the identity of the Library's related parties and all the related-party relationships and transactions of which we are aware.
17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Library's ability to record, process, summarize and report financial data.
18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Clinton Community Library



Barbara Burns
Chair, Board of Trustees



Teresa McGuirk
Library Director