

CANTON CAPITAL RESOURCE CORPORATION
FINANCIAL STATEMENTS AND REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
YEARS ENDED DECEMBER 31, 2018 AND 2017

CANTON CAPITAL RESOURCE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Canton Capital Resource Corporation
Canton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Canton Capital Resource Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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. In making those risk assessments, the auditor considers internal control relevant to the entity'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. Accordingly, we express no such opinion. 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.

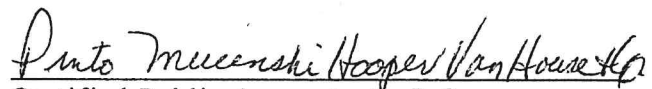
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canton Capital Resource Corporation as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019, on our consideration of Canton Capital Resource Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Canton Capital Resource Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Canton Capital Resource Corporation's internal control over financial reporting and compliance.


Certified Public Accountants, P.C.

December 30, 2019

CANTON CAPITAL RESOURCE CORPORATION

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	<u>12/31/2018</u>	<u>12/31/2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	<u>\$ 27,907</u>	<u>\$ 28,048</u>
Total Assets	<u><u>\$ 27,907</u></u>	<u><u>\$ 28,048</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 1,200	\$ 600
Net Assets		
Without Donor Restrictions	<u>26,707</u>	<u>27,448</u>
Total Liabilities and Net Assets	<u><u>\$ 27,907</u></u>	<u><u>\$ 28,048</u></u>

The accompanying notes are an integral part of these financial statements.

CANTON CAPITAL RESOURCE CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Without Donor Restrictions		
Revenues, Gains, and Other Support	\$ -	\$ -
Management Expenses		
Conferences	-	38
Office Expense	-	17
Bank Fees	141	-
Professional Fees	<u>600</u>	<u>600</u>
Total Management Expenses	<u>741</u>	<u>655</u>
Change in Net Assets	(741)	(655)
Net Assets - Beginning of Year	<u>27,448</u>	<u>28,103</u>
Net Assets - End of Year	<u>\$ 26,707</u>	<u>\$ 27,448</u>

The accompanying notes are an integral part of these financial statements.

CANTON CAPITAL RESOURCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>12/31/2018</u>	<u>12/31/2017</u>
OPERATING ACTIVITIES		
Change in Net Assets	\$ (741)	\$ (655)
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operating Activities		
Increase (Decrease) in Accounts Payable	<u>600</u>	<u>(1,400)</u>
Net Cash Provided (Used) by Operating Activities	<u>(141)</u>	<u>(2,055)</u>
Increase (Decrease) in Cash and Cash Equivalents	(141)	(2,055)
Cash and Cash Equivalents - Beginning of Year	<u>28,048</u>	<u>30,103</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 27,907</u></u>	<u><u>\$ 28,048</u></u>

CANTON CAPITAL RESOURCE CORPORATION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Canton Capital Resource Corporation ("the Corporation") is a not-for-profit, tax exempt organization that was incorporated on May 5, 2010.

The Corporation is a local authority pursuant to Section 2(2) of New York State's Public Authorities Law. As such, it is subject to the statute's public disclosure, reporting, and corporate governance provisions. The Corporation's sole member is the Town of Canton.

The Corporation pursues economic development bond and loan activities. Its revenues are primarily derived from fees for issuing bonds. The only revenue of the Corporation occurred in 2010 and 2016 from the issuance of housing bonds, the proceeds of which went exclusively to Grasse River, LLC. Grasse River, LLC is a New York limited liability company whose sole member is the Canton College Foundation, Inc., a not-for-profit corporation organized under the laws of the State of New York.

Basis of Presentation

The accompanying financial statements have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

New Accounting Standards Adopted

The Corporation has adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Corporation adopted the provisions of this new standard during the year ended December 31, 2018, applying the changes retrospectively. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and allocation of expenses.

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

With Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Restrictions may be permanent or temporary.

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations.

CANTON CAPITAL RESOURCE CORPORATION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. At December 31, 2018 and 2017, the Corporation had only net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and savings instruments with a maturity of less than three months.

Income Taxes

The Corporation is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is classified as being other than a private foundation as described in Section 509(a)(1).

Accounting principles generally accepted in the United States of America requires the Corporation to evaluate all significant tax positions. As of December 31, 2018 and 2017, the Corporation does not believe it has taken any positions that would require the recording of any tax liability, nor does it believe that there are any unrealized tax benefits that should be recorded.

Allocation of Functional Expenses

The cost of operations and administration have been reported on a functional basis. All expenses were allocated to management based on the nature of the expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has reviewed and evaluated all events and transactions from January 1, 2019 through December 30, 2019, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized or disclosed in the accompanying financial statements.

CANTON CAPITAL RESOURCE CORPORATION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE B - CASH, CERTIFICATES OF DEPOSIT, AND CREDIT RISK

As of December 31, 2018 and 2017, cash and cash equivalents consisted of amounts held in checking accounts which are fully insured by federal depository insurance.

NOTE C - LIQUIDITY AND AVAILABILITY

The Corporation has a policy to manage its liquidity by operating within a prudent range of financial stability and maintaining adequate liquidity to fund near-term operations.

The financial assets available within one year of the balance sheet dates are as follows:

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	<u>\$ 27,907</u>	<u>\$ 28,048</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



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BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Canton Capital Resource Corporation
Canton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Canton Capital Resource Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Certified Public Accountants, P.C.

December 30, 2019

