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## NOTES TO FINANCIAL STATEMENTS

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For the year ended December 31, 2019

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### 1. Accounting policies

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the board are as follows:

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

### 2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

### 3. Related party transactions

Board administration cost of \$5,000 (2018: \$5,000) was paid to the Township of Ashfield-Colborne-Wawanosh. Water and sewer fees of \$11,373 (2018: \$5,471) were paid to the Township of Huron-Kinloss.