

RCFHA — ASNPO Financial Reporting Reference

Richmond Cosom Floor Hockey Association | Treasurer's Quick Reference

Framework: ASNPO — CPA Canada Handbook, Part III | Last reviewed: May 2026

1. What Is ASNPO?

Accounting Standards for Not-for-Profit Organizations (ASNPO) is the Canadian GAAP framework that applies to private-sector NFPs. It lives in Part III of the CPA Canada Handbook. As a registered non-profit sports league, RCFHA follows ASNPO.

ASNPO exists because NFP finances differ from businesses:

- Revenue comes from registrations, grants, and fundraising — not sales
- Much of that revenue is restricted — donors or funders specify how it must be spent
- There is no profit and no shareholders; the bottom line is called net assets (surplus/deficit)
- Accountability to members, funders, and CRA, not investors

2. Core Principles

Principle	What It Means for RCFHA
Accrual Accounting	Record revenue when earned and expenses when incurred — not when cash moves. A registration collected in March for an April season is not yet earned in March.
Fund Accounting	Segregate money by purpose. Restricted grant funds must be tracked separately from general operating funds.
Matching	Match revenue to the period the related activity occurs. Registration fees belong in the season they fund.
Stewardship	Report how restricted funds were used. Grantors and CRA expect this. Keep documentation.
Consistency	Apply the same accounting policies year over year. Changes require disclosure.

3. Required Financial Statements

ASNPO requires four statements. For RCFHA at its current scale, all four should be prepared annually for the AGM and any grant reporting.

Statement	What It Shows
Statement of Financial Position	Assets, liabilities, and net assets at fiscal year-end. The balance sheet equivalent.
Statement of Operations	Revenue earned and expenses incurred during the year. Replaces the income statement. Shows surplus or deficit.
Statement of Changes in Net Assets	Explains the movement in net assets — opening balance, surplus/deficit, transfers between funds.

Statement	What It Shows
Statement of Cash Flows	Cash received and paid during the year. Shows how the league actually moved money.

4. Prepaid Expenses

What It Is

A prepaid expense is cash paid in the current period for a cost that benefits a future period. It is an asset — you have paid for something you have not yet received.

Common RCFHA Examples

- Facility rental paid in March for an April–June season
- Annual insurance premium paid upfront covering the next policy year
- League registration fees paid to a governing body (e.g., BC Floorball) before the season begins

The Rule

Do not expense it all in the period you paid. Spread it over the periods it covers.

Step	Action
At payment	Record as Prepaid Expense (asset on the balance sheet), not as an expense.
Each period	Move the portion that has been consumed to the relevant expense account.
At year-end	The remaining prepaid balance sits on the Statement of Financial Position until consumed.

Example: RCFHA pays \$3,600 in February for a gym rental covering February–May (4 months). At February year-end, \$900 is expensed (1 month) and \$2,700 remains as a prepaid asset on the balance sheet.

5. Deferred Revenue

What It Is

Deferred revenue is cash collected before the league has earned it. It is a liability — the league owes the registrant a season of play. Until that season happens, the money is not revenue.

Common RCFHA Examples

- Registration fees collected before the season begins
- Tournament entry fees received before the event date
- Sponsorship payments received in advance of the sponsored season or event

The Rule

Recognize registration revenue in the period the season or event is delivered — not when the cash arrives.

Step	Action
When cash is received	Record as Deferred Revenue (liability on the balance sheet), not as revenue.
When the season/event occurs	Move the amount to the Statement of Operations as earned revenue.
At year-end	Any unearned registrations still on hand remain as a liability.

Example: Spring registrations of \$8,000 are collected in late March. The fiscal year ends March 31. The season runs April–June. At year-end, the full \$8,000 is deferred revenue (liability) — it is recognized as revenue in the April–June period.

In QBO: record the initial receipt to the Deferred Revenue liability account. Post a journal entry at the point of earning to debit Deferred Revenue and credit the Registration Revenue income account.

6. Restricted Revenue — Grant Funding

What It Is

Restricted revenue is funding received with conditions attached. The funder specifies what the money can be spent on. RCFHA's primary sources are City of Richmond and provincial government programs (e.g., viaSport, BC Gaming Grants).

Restricted vs. Unrestricted

Type	Description
Unrestricted	No conditions. Use for any league purpose. Recognize as revenue when received or receivable.
Restricted — Externally	Funder specifies the purpose (e.g., equipment purchase, youth programming). Must account for separately.
Restricted — Endowment	Principal must be maintained; only income may be spent. Uncommon for a league at RCFHA's scale.

Recognition Method — Deferral Method

RCFHA should apply the Deferral Method for restricted contributions (the most common approach for small NFPs not using fund accounting):

- When a restricted grant is received, record it as a liability (Deferred Contributions — Restricted) on the balance sheet
- Recognize it as revenue only when the related eligible expense is incurred
- If the grant has a multi-year term, only the portion matching the current year's expenses is recognized as revenue this year

Example: RCFHA receives a \$5,000 City of Richmond grant in November for equipment to be purchased before March 31. By year-end, \$3,200 in eligible equipment has been purchased. Recognize \$3,200 as grant revenue; the remaining \$1,800 stays as deferred until spent (or is returned if unspent per grant terms).

Documentation Requirements

For every restricted grant, maintain on file:

- The grant agreement or award letter specifying eligible expenses and reporting dates
- Receipts or invoices for all eligible expenditures claimed
- The funder's required financial report (City of Richmond and viaSport both require annual reconciliations)
- Any correspondence about scope changes or carry-forward approvals

Private Donors

Restricted donations from private individuals follow the same deferral logic — recognize when the condition is met. At RCFHA's scale this is uncommon; if it arises, apply the same documentation standards as for government grants.

7. Accrued Expenses

What It Is

An accrued expense is a cost that has been incurred — and for which a present obligation exists — before the end of the fiscal year, but has not yet been paid. It is recorded as a liability (Accrued Liabilities) on the Statement of Financial Position.

Why It Applies to RCFHA

RCFHA regularly approves scholarships and a school donation by formal board motion before fiscal year-end, with payment made in the following period. Under accrual accounting, the expense belongs in the year the obligation is created — not the year the cheque is written.

The board resolution is the triggering event. Once passed, RCFHA has a present obligation to the recipient. The amount is known, and there is no realistic possibility of the commitment being reversed. These conditions are sufficient to recognize the liability under ASNPO.

Common RCFHA Examples

- Annual scholarship(s) approved by board motion before March 31, paid in April or later
- School donation approved by board motion before March 31, paid after fiscal year-end

The Rule

Record the expense and the corresponding liability in the fiscal year the board motion is passed, regardless of when payment is made.

Step	Action
Board motion passed (before year-end)	Record: Debit the relevant expense account (e.g., Scholarships Expense / Community Donations Expense). Credit Accrued Liabilities.
At year-end	Accrued Liabilities balance appears on the Statement of Financial Position. Expense appears on the Statement of Operations for the current year.
When payment is made (new fiscal year)	Record: Debit Accrued Liabilities. Credit Bank. This clears the liability — no new expense is recorded in the payment year.

Example: In March, the board passes a motion approving a \$1,500 scholarship and a \$500 school donation. Fiscal year ends March 31. Payment is issued in April. At year-end: record \$2,000 total to Accrued Liabilities

(liability) and to the respective expense accounts. In April, debit Accrued Liabilities \$2,000 and credit Bank \$2,000. No expense hits the new fiscal year.

Documentation Requirements

Maintain on file for each accrued item:

- Signed board minutes or resolution confirming approval, amount, and recipient
- Any award letter or commitment letter issued to the recipient before year-end
- Payment record in the subsequent period (cheque copy, EFT confirmation) to close the liability

Note: If the board motion does not specify a fixed dollar amount, the liability can still be recognized if a reasonable estimate is determinable. Document the basis for the estimate.

8. Year-End Checklist for the Treasurer

Item	Action Required
Registration revenue	Confirm all fees collected but unearned at year-end are recorded as Deferred Revenue (liability).
Prepaid expenses	Identify any payments made for future-period costs; reclassify to Prepaid Expense (asset).
Accrued expenses	Confirm all board-approved scholarships and donations not yet paid are recorded as Accrued Liabilities. Attach board minutes.
Restricted grants	Reconcile each grant: amount received vs. eligible expenses incurred. Defer any unspent balance.
Grant reporting	Submit funder reports by their deadlines. File copies with financial records.
Fund segregation	Confirm restricted funds are tracked separately in QBO (use Classes or separate accounts).
Net assets	Verify opening net assets + surplus/deficit = closing net assets on the balance sheet.
CRA compliance	File T3010 (Registered Charity Information Return) if applicable, within 6 months of fiscal year-end.

This reference summarizes ASNPO principles as they apply to RCFHA. It is a guideline only and does not substitute for advice from a qualified CPA. Standards are maintained by the Accounting Standards Board (AcSB) — frascanada.ca.