

FINANCIAL STATEMENT REQUIREMENTS & FINANCIAL HEALTH

In accordance with our [Eligibility Policy](#) and [Financial Need and Health of Applicants Policy](#), as a minimum, organizations must be able to demonstrate that they provide services in Ontario, and show evidence of their ability to generate additional resources from the community and other sectors.

Therefore, to consider an organization as eligible, the Ontario Trillium Foundation (OTF) requires at least one fiscal year of financial statements from the date of incorporation or charitable registration.

Financial statement requirements

All organizations, with the exception of First Nations and eligible Municipalities, must submit a complete set of financial statements for the most recent fiscal year, which must include comparative information for the prior fiscal year.

A complete set of financial statements includes:

- Revenues and expenses
- A balance sheet
- Accompanying notes

Based on the annual revenue for the most recent fiscal year, we require the following financial statements:

Annual revenue	Type of financial statements
\$49,999 or less	Internally prepared financial statements for the two most recent fiscal years. See examples here .
Between \$50,000 and \$249,999	Financial statements for the most recent fiscal year end, which must include comparative information for the prior fiscal year. These statements must be prepared by a licensed public accountant external to your organization and need to include a Review Engagement Report or a Notice to Reader on the financial statements and accompanying notes.
\$250,000 and above	Audited financial statements for the most recent fiscal year end, which must include comparative information for the prior fiscal year. These statements must be prepared by a licensed public accountant external to your organization and need to include an Auditor's Report and accompanying notes.
To find a licensed public accountant in Ontario, access the Public Accountants Council for the Province of Ontario's online public roll .	

Please note:

- Financial statements for the most recent fiscal year must have been completed within six months of the fiscal year end.
- All reporting pages, Notice to Reader, Review Engagement Report and Auditor's Report must be on letterhead, dated and signed by the accountant or accounting firm.
- Consolidated statements are required for organizations who have or belong to subsidiary companies.
- Audited statements are preferred for all revenue levels.
- Organizations less than two years old are required to provide a complete set of financial statements for at least one completed fiscal year.
- Organizations operating with less than one fiscal year (less than twelve months from the date of incorporation or charitable registration) of financial history reflected in their financial statements will not be eligible.
- Financial statements must be Board approved (draft statements are not accepted).

Assessing surplus or deficit

The financial health of all organizations is assessed as part of the grant application process. This is why we require a complete set of current financial statements.

Submitted financial statements will be assessed for a surplus or a deficit. This forms the initial basis of our assessment of your financial health and need. You can use the [Financial Position Calculator](#) to conduct a simple assessment of your organization's financial health. However, OTF will conduct its own internal assessment as part of the application review process.

If we determine there is a surplus or a deficit, the following additional documentation will be required for our review and consideration:

- A. If your organization has access to **net assets worth more than 12 months operating expenses**, you must upload an explanation as a separate document along with your financial statements, explaining why you have a surplus.

You must demonstrate that unrestricted net assets have been earmarked for an imminent project or purpose; or where the circumstances can otherwise demonstrate significant financial need.

Please upload your explanation along with your financial statements in the Organization Information section of the grant application.

- B. If your organization has an **accumulated deficit greater than 5% of annual expenses**, you must upload a deficit reduction plan, as a separate document along with your financial statements, explaining how you intend to reduce it.

The plan must include details such as monetary targets to reduce the accumulated deficit and must be reasonable and achievable – and give a clear picture of your deficit situation and a strategy to eliminate the deficit. You must also demonstrate a history of strong financial management and deficit management by providing your current operating budget.

Please upload your plan along with your financial statements in the Organization Information section of the grant application.