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Family Law Refresher 2020

The Do's and Don'ts of Completing Financial Statements

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The Do's & Don'ts of Completing Financial Statements¹

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Non-disclosure of assets is the cancer of matrimonial property litigation. It discourages settlement or promotes settlement[s] which are inadequate. It increases the time and expense of litigation. The prolonged stress of unnecessary battle may lead weary and drained women simply to give up and walk away with only a share of the assets they know about, taking with them the bitter aftertaste of a reasonably-based suspicion that justice was not done.

Binnie J. in *Leskun v. Leskun*, [2006] S.C.J. No. 25 at para. 34 (QL), quoting Fraser J. in *Cuhna v. da Cuhna*, [1994] B.C.J. No. 2573 at para. 9 (S.C.) (QL).

The importance of Financial Statements in family law proceedings cannot be overstated: they provide transparency to a process that is underwritten with mistrust and overcharged with emotion. As the cornerstones of financial disclosure, Financial Statements are the thread from which agreements are spun and the fabric from which family law resolutions are woven. Financial Statements also provide a measure of an opponent's credibility, insights into the theory of an opponent's case and, when properly prepared, can advance the theory of one's own case. Financial Statements are critically important to the resolution of family law disputes – their preparation therefore warrants careful consideration.

The “Do's and Don'ts” of completing Financial Statements have both legislative and practical components. Understanding the intersection of legislation and practice begins with an appreciation of the Financial Statement's statutory origin.

¹ This paper is adapted from a previous paper I co-authored with Kimberley Miyanishi titled, “A Section by Section Guide to the Form 13.1 Financial Statement: The Do's and Don'ts of Completing Parts 7 through 12”, which was prepared for and presented at a Law Society of Upper Canada Continuing Legal Education program titled, “Financial Statements Primer for Family Law Clerks”

The Statutory Origin

The statutory origin of the Financial Statement emanates from s. 68 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43. Section 68 confers jurisdiction on the Family Rules Committee to make rules in relation to the practice and procedure for all courts in Ontario in which family law matters are heard. Those rules, known as the *Family Law Rules*, apply to all family law cases in the Family Court of the Superior Court of Justice, the Superior Court of Justice and the Ontario Court of Justice [Rule 1(2)]. The *Family Law Rules* are drafted to provide concordance between the Table of Forms and the Rules, which permits easy cross-referencing. It is for this reason that Rule 13 of the *Family Law Rules* (i.e. the Financial Statement Rule) requires one to complete either a Form 13 or Form 13.1 Financial Statement.

Form 13 or Form 13.1- Choosing the Right Financial Statement

First of all, it is important to correctly identify and complete the appropriate financial statement form. Failure to complete the correct form will result in your pleadings being refused by the court, and you will be required to complete the proper financial statement before your materials can be filed (in fact, the clerk will not accept a document for filing without a financial statement if the rules require it). You have the option of completing a Form 13 Financial Statement or a Form 13.1 Financial Statement.

Form 13 is a shorter version of Form 13.1, and is often referred to as the “simple” financial statement. Pursuant to Rule 13(1.1) of the *Family Law Rules*, this form can be used if the application, answer, or motion contains a claim for support, but does not contain any property claim or claim for exclusive possession of the matrimonial home.

Form 13.1 is a more in-depth financial statement, and Rule 13(1.2) requires that it be used if a party’s application, answer or notice of motion contains a property claim or a claim for exclusive possession of the matrimonial home and its contents. Rule 2(1) defines

“property claim” as a claim under Part I of the *Family Law Act* (i.e. the “family property” provisions of the Act); a claim for a constructive or resulting trust; or a claim for a monetary award as compensation for unjust enrichment.

You should note that a party must serve and file the proper financial statement within the applicable time frame, *even if the party is not filing any response material*.

What to include: Required Financial Disclosure and Certificate of Financial Disclosure

Pursuant to Rule 13(3.1), a party who is required to serve a financial statement in relation to a support claim must also include, with the financial statement, the following additional income and financial information, as set out in Subsection 21(1) of the *Child Support Guidelines*:

- (a) a copy of every personal income tax return filed by the parent or spouse including any materials that were filed with the return for each of the three most recent taxation years;
- (b) a copy of every notice of assessment and reassessment issued to the parent or spouse for each of the three most recent taxation years;
- (c) where the parent or spouse is an employee, the most recent statement of earnings indicating the total earnings paid in the year to date, including overtime, or, where such a statement is not provided by the employer, a letter from the parent’s or spouse’s employer setting out that information including the parent’s or spouse’s rate of annual salary or remuneration;
- (d) where the parent or spouse is self-employed, for the three most recent taxation years,
 - (i) the financial statements of the parent’s or spouse’s business or professional practice, other than a partnership, and

- (ii) a statement showing a breakdown of all salaries, wages, management fees or other payments or benefits paid to, or on behalf of, persons or corporations with whom the parent or spouse does not deal at arm's length;
- (e) where the parent or spouse is a partner in a partnership, confirmation of the parent's or spouse's income and draw from, and capital in, the partnership for its three most recent taxation years;
- (f) where the parent or spouse controls a corporation, for its three most recent taxation years,
 - (i) the financial statements of the corporation and its subsidiaries, and
 - (ii) a statement showing a breakdown of all salaries, wages, management fees or other payments or benefits paid to, or on behalf of, persons or corporations with whom the corporation, and every related corporation, does not deal at arm's length;
- (g) where the parent or spouse is a beneficiary under a trust, a copy of the trust settlement agreement and copies of the trust's three most recent financial statements; and
- (h) in addition to any information that must be included under clauses (c) to (g), where the parent or spouse receives income from employment insurance, social assistance, a pension, workers compensation, disability payments or any other source, the most recent statement of income indicating the total amount of income from the applicable source during the current year or, if such a statement is not provided, a letter from the appropriate authority stating the required information.

The party who is claiming child support must also provide proof of the amount of any section 7 expenses.

If there is a claim for property under Part I of the *Family Law Act*, the party must serve the following additional information no later than 30 days after the financial statement is required to be served under Subrule 13(3.3):

1. The statement issued closest to the valuation date for each bank account or other account in a financial institution, pension, registered retirement or other savings plan, and any other savings or investments in which the party had an interest on that date.
2. A copy of an application or request made by the party to obtain a valuation of his or her own pension benefits, deferred pension or pension, as the case may be, if any, as of the valuation date.
3. A copy of the Municipal Property Assessment Corporation's assessment of any real property in Ontario in which the party had a right or interest on the valuation date, for the year in which that date occurred.
4. If the party owned a life insurance policy on the valuation date, the statement issued closest to that date showing the face amount and cash surrender value, if any, of the policy, and the named beneficiary.
5. If the party had an interest in a sole proprietorship or was self-employed on the valuation date, for each of the three years preceding that date,
 - i. the financial statements of the party's business or professional practice, other than a partnership, and
 - ii. a copy of every personal income tax return filed by the party, including any materials that were filed with the return.
6. If the party was a partner in a partnership on the valuation date, a copy of the partnership agreement and, for each of the three years preceding the valuation date,

- i. a copy of every personal income tax return filed by the party, including any materials that were filed with the return, and
 - ii. the financial statements of the partnership.
- 7. If the party had an interest in a corporation on the valuation date, documentation showing the number and types of shares of the corporation and any other interests in the corporation that were owned by the party on that date.
- 8. If the corporation in which a party had an interest was privately held, for each of the three years preceding the valuation date,
 - i. the financial statements for the corporation and its subsidiaries, and
 - ii. if the interest was a majority interest, a copy of every income tax return filed by the corporation.
- 9. If the party was a beneficiary under a trust on the valuation date, a copy of the trust settlement agreement and the trust's financial statements for each of the three years preceding that date.
- 10. Documentation showing the value, on the valuation date, of any property not referred to in paragraphs 1 to 9 in which the party had an interest on that date.
- 11. Documentation that supports a claim, if any, for an exclusion under subsection 4 (2) of the Family Law Act.
- 12. The statements or invoices issued closest to the valuation date in relation to any mortgage, line of credit, credit card balance or other debt owed by the party on that date.
- 13. Any available documentation showing the value, on the date of marriage, of property that the party owned or in which he or she had an interest on that date, and the amount of any debts owed by the party on that date.

In your initial letter to opposing counsel, it can be helpful to set out this required list of financial information at the outset, as it can act as a helpful guide to both parties as they are gathering their information and preparing their disclosure.

Along with your Financial Statement, you will also have to complete Form 13A: Certificate of Financial Disclosure, pursuant to Subrule 13(5.0.2). This certificate confirms which financial documents you have served on the other party, and must be filed with the court either before or with your first case conference materials. This Certificate must be updated or corrected as new information becomes available, and must be updated, served, and filed, before a case conference, settlement conference, or trial management conference.

Operative Rules for preparing a Form 13.1 Financial Statement

A well prepared Financial Statement is one that is tailored to the client's individual situation, which will invariably require you to adjust the Financial Statement to the individual circumstances of your client. Do not hesitate to make those adjustments when preparing your client's Financial Statement: subrule 1(9.1) is your authority for doing so. Subrule 1(9.1) provides that all forms "may be adjusted as needed to fit the situation". This Rule, for example, is your authority to add notes to a Financial Statement or to identify a value as "unknown" or "to be determined".

Nexus between the Form 13.1 Financial Statement and Ontario's Matrimonial Property Law

Preparing an effective Financial Statement requires an understanding of how matrimonial property is calculated and divided in accordance with Part 1 of the *Family Law Act*.

The starting point is the parties' date of marriage and the end point is the parties' valuation date, which is defined at s. 4(1) as the earliest of the following dates:

1. The date the spouses separate and there is no reasonable prospect that they will resume cohabitation.
2. The date a divorce is granted.

3. The date the marriage is declared a nullity.
4. The date one of the spouses commences an application based on subsection 5(3) (improvident depletion) that is subsequently granted.
5. The date before the date on which one of the spouses dies leaving the other spouse surviving.

The value of all property accumulated between the parties' date of marriage and their valuation date, with some statutory exceptions [see s. 4(2)], is shared equally between the parties upon marriage breakdown. This process is called "equalization". Note that the value of the property, rather than the property itself, is ultimately equalized between the spouses.

Parts 4 through 7 and Part 9 of the Form 13.1 Financial Statement are formatted to calculate each party's respective "net family property" for equalization purposes. Net family property (or "NFP") is the value of all property, except excluded property, that a spouse owns on the valuation date, after deducting:

- (a) the spouse's debts and other liabilities; and
- (b) the value of property, other than a matrimonial home, that the spouse owned on the date of marriage, after deducting the spouse's debts and other liabilities, other than debts or liabilities related directly to the acquisition or significant improvement of a matrimonial home, calculated as of the date of marriage [s. 4(1)].

The Financial Statement, in Parts 4, 5, 6 and 7, applies this formula to calculate net family property in Part 9.

Practically, matrimonial lawyers must understand this legislative exercise to properly prepare a client's Financial Statement. They must also be able to explain it in a meaningful, straightforward way to their clients. Not only must clients understand their disclosure obligations, but clients who truly understand this calculation are more engaged in properly identifying their assets and liabilities on the date of marriage and valuation date. The

collection of the information needed to undertake this exercise begins at your initial meeting with the client.

The Initial Client Meeting

Developing the theory of the case begins here, at the initial client meeting. Whether the client is likely to be a support payor or recipient, or the payor or recipient of an equalization payment, the information you gather here lays the foundation for your case. And whether it is a property or support case, or both, the emphasis will inevitably be on your client's assets and liabilities, income and expenses.

The Date of Marriage

The starting point for any property case begins with identifying the parties' date of marriage, which begins the property timeline within the legislative framework of Part 1 of the *Family Law Act*. It also pinpoints the exact date on which you must identify all assets and liabilities of a client for the purposes of calculating their net family property.

Identifying the client's date of marriage may seem trite, but it is important to ensure that the date identified by the client is correct. A ceremonial wedding that does not conform to the formalities of the *Marriage Act*, R.S.O. 1990, c. M.3 – i.e. one without a marriage license – is not their date of marriage. The decision of Mendes De Costa J. in *Ravinda v. Ravinda*, [1995] O.J. No. 4164 at para 18 (O.C.J. G.D.) (QL) is an example of a case grappling with a ceremonial wedding preceding the date of marriage.

In the rare case where the parties did not conform to the formalities of the *Marriage Act*, consider whether recourse to s. 31 of the *Marriage Act* is required: see *Chhokar v. Bains*, [2012] O.J. No. 5709 (S.C.J.) (QL) and *Ayoub v. Osman*, [2006] O.J. No. 1176 (S.C.J.) (QL).

Once the date of marriage is identified, the emphasis moves to identifying all of the client's debts and liabilities at that date. Without over generalizing, a client's assets on the date of marriage often correspond to their age and stage in life; that is, a person who marries in their 20s will often have a more straightforward or discernible net worth at that time than

someone who marries later in life with considerably more assets.

Consider using Parts 4, 5 and 6 of the Financial Statement as your template when directing clients to identify their respective assets and liabilities at the date of marriage. One practical consideration at this stage is to advise clients to request statements of account from their financial institutions, particularly for those who were married in the last 7 years prior to their valuation date. Canadian financial institutions typically have these statements readily available, which can be material and highly relevant, particularly when there is a dispute about a liability at the date of marriage, such as a student loan, and there is a risk that the demonstrative evidence establishing the balance of that debt will be lost with the passage of time. Another consideration is to be mindful that most assets generate contingent income taxes and disposition costs and these, too, must be considered when preparing Part 6 of the Financial Statement.

Clients who own the same real property on the date of marriage and the valuation date require us to consider whether that property is a matrimonial home within the meaning of s. 18 of the *Family Law Act*. The onus of proving whether a property is a matrimonial home on the valuation date lies with the person claiming the date of marriage deduction - see *Ledrew v. Ledrew*, [1993] O.J. No. 596 (O.C.J. G.D.) (QL) - though the preparation of the Financial Statement should conform with the theory of the case; that is, if a client is prepared to admit that a property is a matrimonial home within the meaning of the *Family Law Act*, then the value shown on the date of marriage in Part 4(a) of the Financial Statement is properly omitted from Part 6 of the Financial Statement. Conversely, if the theory of the case is that the property is not a matrimonial home within the meaning of the statute, then the value on the date of marriage will be also be included in Part 6 of the Financial Statement.

The Valuation Date

Unlike the date of marriage, which is often easily identified, the identification of a client's valuation date is often more difficult. This is because most cases fall within

category 1 of the 5 possible listed valuation dates in s. 4(1) of the *Family Law Act* – i.e. “the date the spouses separate and there is no reasonable prospect that they will resume cohabitation”. Whether “there is no reasonable prospect they will resume cohabitation” can change the valuation date by days, months, weeks or even years and is therefore a material consideration when preparing a client’s Financial Statement. As a result, particular emphasis must be placed on correctly identifying this date.

Without oversimplifying the case law, intention is determinative and it takes one spouse to separate, but two spouses to resume cohabitation {see generally *Rosseter v. Rosseter*, [2013] O.J. No. 5794 (S.C.J.) (QL) and *Tesfatsion v. Berhane*, [2013] O.J. No. 48 (S.C.J.) (QL)}]. Take the time to properly consider all of the evidence when making this determination with your client. The theory of your client’s case must be supported by the evidence, which will ultimately shape the preparation of their Financial Statement. This, again, emphasizes the nexus between the application of the *Family Law Act* and the Financial Statements we prepare on our clients’ behalf.

Once the valuation date is identified, the emphasis then turns to having the client identify all of their assets and liabilities on the valuation date. This exercise mirrors the one for the date of marriage, but with an emphasis on Parts 4 (assets), 5 (debts) and 7 (excluded property) of the Financial Statement.

Several important considerations at this stage include being mindful of whether expert evidence is required to determine the value of an asset or liability. Assets that ordinarily require such valuations include real estate, business interests, trust interests and pensions. Liabilities requiring such valuations are contingent income taxes and contingent disposition costs. The lawyer’s role when preparing the Financial Statement is to identify those assets and liabilities potentially requiring such valuations. The nexus between assets and contingent liabilities is often apparent – for example, RRSPs and contingent taxes, non-registered investments and capital gains, and the sale of real property and contingent disposition costs. However, contingent liabilities are not always apparent, so there is merit

in considering whether to involve an expert, such as a chartered business valuator or actuary, at the outset of your retainer.

Another consideration is whether any of the client's assets on the valuation date are excluded from the calculation of their NFP. Take the time to specifically address with the client whether their assets on the valuation date emanate from any of those categories listed in s. 4(2) of the *Family Law Act*. Excluded assets can dramatically change the calculation of a client's NFP and will also often warrant considering whether expert evidence is required to determine the value of those excluded assets.

Summarily, therefore, the actual preparation of the client's Financial Statement is the culmination of these efforts: that is, first obtaining the necessary particulars from the client to obtain their date of marriage and their valuation date; then identifying all of their assets and liabilities, real and contingent, on both their date of marriage and valuation date; then determining whether a property owned on both the date of marriage and the valuation date is a matrimonial home within the meaning of the *Family Law Act*; and finally determining whether the value of any property owned on the valuation date is excluded from the NFP calculation. This emphasizes the importance of understanding the legislative framework within the *Family Law Act* for calculating and equalizing net family property.

Income & Expenses: Parts 1 & 2 of the Financial Statement

The italics above the "Income Source" table in Part 1 of the Financial Statement unequivocally provide, *"In this table you must show all of the income that you are currently receiving whether taxable or not"*. The emphasis on "currently receiving" is therefore instructive when completing this part of the form. Sometimes a client's current income is easily identifiable; other times it is not. Clients who change jobs, receive deferred compensation and have substantial investment portfolios can make the preparation of this part of the Form more challenging. When in doubt, adjust the Financial Statement to tailor it to the client's income as permitted by subrule 1(9.1).

Another consideration at the initial client meeting is whether expert evidence is required to adjust the client's income in accordance with ss. 15 through 20 of the Federal Child Support Guidelines. In those cases, where the client's income for the current year will likely resemble their income from the previous year, consider whether to identify the client's total income from the previous year as his or her current income, with a note to the Financial Statement that this remains subject to adjustment by the expert. Simply identifying a client's income as "unknown" or "TBD" is rarely advisable for obvious reasons.

The importance of recording all income in Part 1 of the Financial Statement, whether taxable or not, must also be impressed upon a client. A client's credibility can be won and lost upon cross-examination of a Financial Statement and, once impugned, can have disastrous consequences for their case. Impress upon the client the importance of identifying all sources of income in Part 1 of their Financial Statement, no matter how insignificant, to emphasize to both your opponent and the decision maker that no stone was left unturned when preparing the document. Indeed, the consequences to a client of having income imputed can be long lasting (see *Landry v. Davila*, [2018] O.J. No. 4408 (S.C.J.) (QL)).

The importance of accurately and truthfully completing Part 1 of the Financial Statement similarly applies to the matter of "Expenses" in Part 2. Again, the emphasis in this part of the Financial Statement is current expenses, as opposed to proposed expenses, which may be completed in the form of an attachment to the Financial Statement. Have your law clerk assist the client with assembling the necessary supporting documents to identify these amounts. Add notes and insert additional line entries for those expenses that do not conform to the prescribed categories within the tables.

Accurately identifying all of the client's expenses is particularly important when acting for the spousal support recipient; when seeking a proportionate contribution to special or extraordinary expenses; and when there is a dispute about child support within a shared parenting arrangement. Accurately presenting these expenses also provides insight into

the family's standard of living, which is often material to the resolution of these claims. High income cases, in particular, where the courts depart from the Spousal Support Advisory Guidelines, often undertake a detailed budgetary analysis when determining claims for spousal support {see generally *McCain v. McCain*, [2012] O.J. No. 6224 (S.C.J.) (QL) and *Plese v. Herjavec*, [2018] O.J. No 6281 (S.C.J.) (QL)}.

Requesting Further Information

Having a clear picture of the opposing party's financial circumstances is essential to you being able to properly advise your client of how best to proceed with their claims. Therefore, you must ensure that you have all of the necessary financial information. Parties may not be entirely forthcoming about their financial circumstances - so don't be afraid to ask! Upon receiving the opposing party's financial statement and financial disclosure, if you believe the information is insufficient and does not provide you with enough information to fully understand the other party's financial circumstances, you can request further additional information pursuant to Rule 13(11). The party then has 7 days to provide this information to you. If they do not, you may request an Order that the party provide this information to you, by way of a Form 14B motion.

If you have any further questions after you made this request, you have a right, under Subrule 13(13), to question a party under Rule 20 on a financial statement. This right to question on a financial statement is not dependent on first obtaining a court order allowing you to do so. However, you must first request the information under Subrule 13(11). Rule 20 is also available to you, and allows you to question a party about any issue in the case, if: (1) it would be unfair to the party who wants the questioning or disclosure to carry on with the case without it; (2) the information is not easily available by any other method; and (3) the questioning or disclosure will not cause unacceptable delay or undue expense. However, this is only available by way of a court order, or by consent of the party.

Ongoing duty to disclose

The duty to disclose full financial information is an immediate and ongoing obligation, and is one of the most basic obligations in family law.² If the financial statement is more than 30 days old, it must be updated before any case conference, motion, settlement conference, or trial, pursuant to Subrule 13(2). However, you don't necessarily have to serve and file a new financial statement – if the information has not changed and is still true, a party can swear an affidavit stating that the information in the previous financial statement has not changed. This is also sufficient if there have only been minor changes to the information in the past statement. You should be aware that there is also an ongoing duty to correct and update documents as soon as a party discovers that a document they served is incorrect, incomplete, or out of date.

The Lawyer's Role and Consequences of Failure to Disclose

Full, frank, and fair financial disclosure means complete, detailed, and timely disclosure.³ Lawyers should be actively involved, and supervise the client's completion of financial statements. You must ask pertinent questions, not just of the opposing side but also of your client, and seek clarification of financial information to ensure that the disclosure is accurate and complete, with all necessary notes and explanations added to the statement to make it clearly comprehensible.⁴ You must be able to fully understand your client's financial information and explain any ambiguities when presenting it to the court.⁵

You will likely encounter clients who are reticent to fully disclose their financial information, or do not readily appreciate the consequences of failing to do so. As their lawyer, it is your job to explain to them that there are very real and costly consequences to refusing to provide financial disclosure, or providing insufficient financial disclosure. Financial disclosure is not optional. If your client fails to disclose financial information

² *Sickinger v. Sickinger*, 2018 ONCA 525, and see also *Roberts v. Roberts*, 2015 ONCA 450.

³ *Rizzo v. Rizzo*, [2001] O.J. No. 303.

⁴ *Buttrum v. Buttrum*, [2001] O.J. No. 1390.

⁵ *Bhoi v. Bhoi*, [2001] O.J. No. 4864.

required under the Rules, ignores court orders requiring disclosure, delays in providing disclosure, or provides insufficient information, the court can penalize your client in a variety of ways, often relying on the court's authority under Rule 1(8) of the *Family Law Rules*.

In *Malik v. Malik*, 2019 ONSC 117, the Applicant asked that the Respondent be sanctioned in some way for failing to comply with a disclosure order. The court ultimately settled on awarding costs under Rule 1(8), and ordered the non-disclosing party to pay the other party \$5,000 per month, retroactive to the date the order was made, and ongoing until he complied with the disclosure order. Similarly, in *Hutcheon v. Bissonnette*, 2017 ONSC 1108, a judge ordered a non-disclosing party to pay \$100 a day back to the date of the disclosure order.

As briefly noted previously, if your client fails to disclose sufficient information to support his claimed income, the court can impute a higher income for purposes of support, under section 19 of the *Child Support Guidelines*.⁶

Failure to disclose financial information can also have serious consequences to the validity of a marriage contract, or the strength of a separation agreement. Pursuant to section 56(4) of the *Family Law Act*, a court can set aside a domestic contract if a party failed to disclose to the other significant assets, debts, or liabilities. A duty to make full and honest disclosure of all relevant financial information is required to protect the integrity of the result of negotiations.⁷ Inherent in this duty to disclose is the duty of the titled spouse to fairly value an asset.⁸

Finally, under Rule 1(8), the court may strike out any application, answer, notice of motion, motion to change, response to motion to change, financial statement, affidavit, or any other document filed by a party, if your client disobeys an order. While this is considered a

⁶ *Drygala v. Pauli*, [2002] O.J. No. 3731 (C.A.); *Bak v. Dobell*, 2007 ONCA 304.

⁷ *Rick v. Brandsema*, 2009 SCC 10.

⁸ *Virv v. Blair*, 2017 ONCA 394.

remedy of last resort⁹, you should make your client aware that if this occurs, they will generally not be entitled to take any further steps in the case, and will not be entitled to participate in the case in any way.

Conclusion

The preparation of the Financial Statement is an essential step in the resolution of family law matters. Proper preparation is therefore essential, which requires a comprehensive understanding of Part 1 of the *Family Law Act*. Note that the Financial Statement is often the product of several drafts requiring extensive revisions so start early and revise often. And be mindful, as noted above, that Financial Statements are not static and must be updated regularly. The duty to disclose is continuous throughout the duration of the case. When prepared properly, Financial Statements satisfy a client's disclosure obligations, provide insight to an opponent about the thoroughness of your preparation as counsel and advance the theory of your case.

⁹*Purcaru v. Purcaru*, 2010 ONCA 92.