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Financial results for January 2021

A large, stylized background graphic consisting of overlapping, semi-transparent circular and rectangular shapes in shades of light blue, orange, and pink. The shapes are arranged in a way that suggests a bar chart or a data visualization, with some shapes appearing to rise from a horizontal line at the bottom.

Canada

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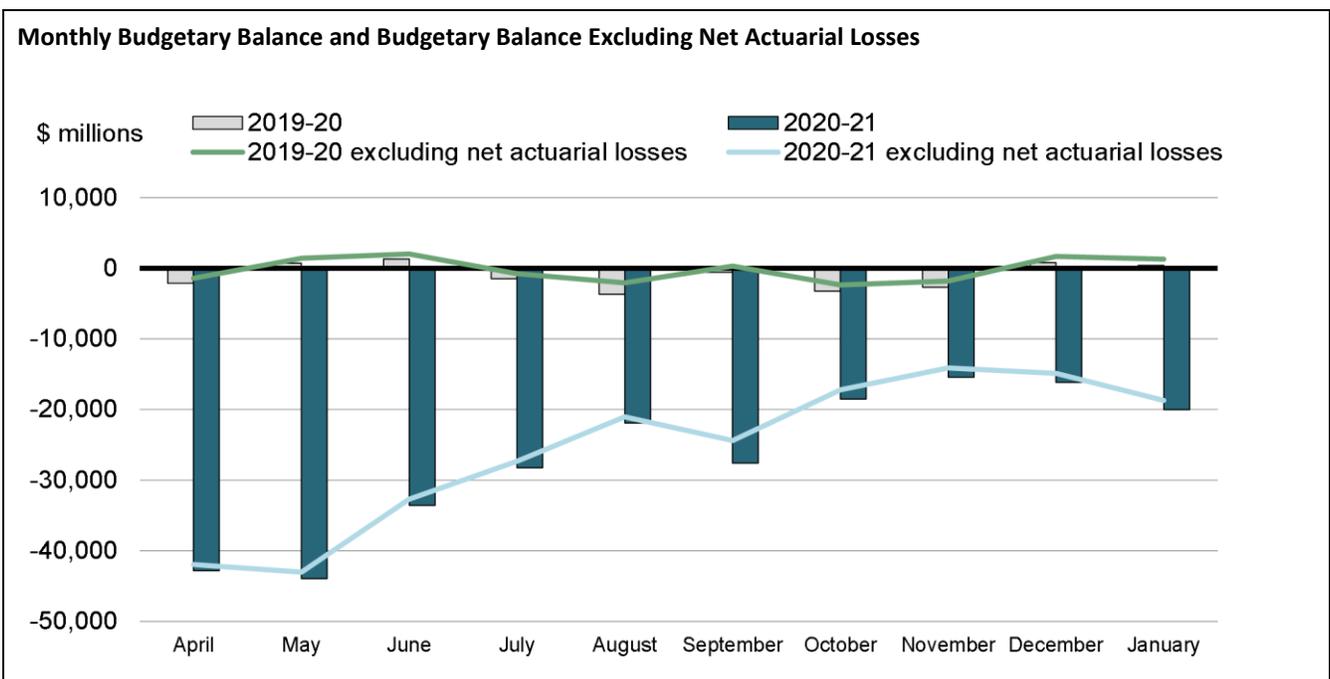
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Highlights

January 2021

There was a budgetary deficit of \$20.0 billion in January 2021, compared to a surplus of \$0.4 billion in January 2020. The budgetary deficit before net actuarial losses was \$18.7 billion, compared to a surplus of \$1.3 billion in January 2020. The budgetary balance before net actuarial losses is a new measure introduced to supplement the traditional budgetary balance and improve the transparency of the government's financial reporting by isolating the impact of the amortization of net actuarial losses arising from the revaluation of the government's pension and other employee future benefit plans.

The government's 2020–21 financial results reflect the economic downturn and temporary measures implemented through the government's Economic Response Plan to support Canadians and businesses facing hardship as a result of the COVID-19 outbreak.



Compared to January 2020:

- Revenues decreased by \$2.2 billion, or 7.4 per cent, driven by a decrease in other revenues.
- Program expenses excluding net actuarial losses were up \$17.8 billion, or 65.5 per cent, driven by increased transfers to businesses and individuals as part of the government's COVID-19 response measures.
- Public debt charges were down \$40 million, or 2.2 per cent.
- Net actuarial losses were up \$0.4 billion, or 43.1 per cent, reflecting changes in the actuarial valuations for pensions and benefits, which have increased in large part due to declines in year-end interest rates used in valuing these obligations, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans.

April 2020 to January 2021

For the April to January period of the 2020–21 fiscal year, the government posted a budgetary deficit of \$268.2 billion, compared to a deficit of \$10.6 billion reported for the same period of 2019–20. The budgetary deficit before net actuarial losses was \$255.3 billion, compared to a deficit of \$1.6 billion for the same period of 2019–20.

The unprecedented shift in the government's financial results reflects the severe deterioration in the economic situation and temporary measures implemented through the government's Economic Response Plan to support Canadians and businesses facing hardship as a result of the COVID-19 outbreak during this period.

Compared to fiscal year 2019–20:

- Revenues were down \$40.5 billion, or 14.7 per cent, reflecting a broad-based reduction in revenues, including lower tax revenues and other revenues.
- Program expenses excluding net actuarial losses were up \$216.3 billion, or 83.9 per cent, largely reflecting transfers to individuals, businesses, and other levels of government under the Economic Response Plan, including the Canada Emergency Response Benefit (CERB) and Canada Recovery Benefits, the Canada Emergency Wage Subsidy (CEWS), transfers under the Safe Restart Agreement, and the 33 per cent incentive for the Canada Emergency Business Account (CEBA).
- Public debt charges decreased by \$3.0 billion, or 15.0 per cent, largely reflecting lower interest on the government's pension and benefit obligations, lower Consumer Price Index adjustments on Real Return Bonds, and lower interest on treasury bills.
- Net actuarial losses were up \$3.9 billion, or 43.1 per cent, reflecting increases in the value of the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2020*. The increase in net actuarial losses is due in large part to declines in year-end interest rates used in valuing these obligations, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans.

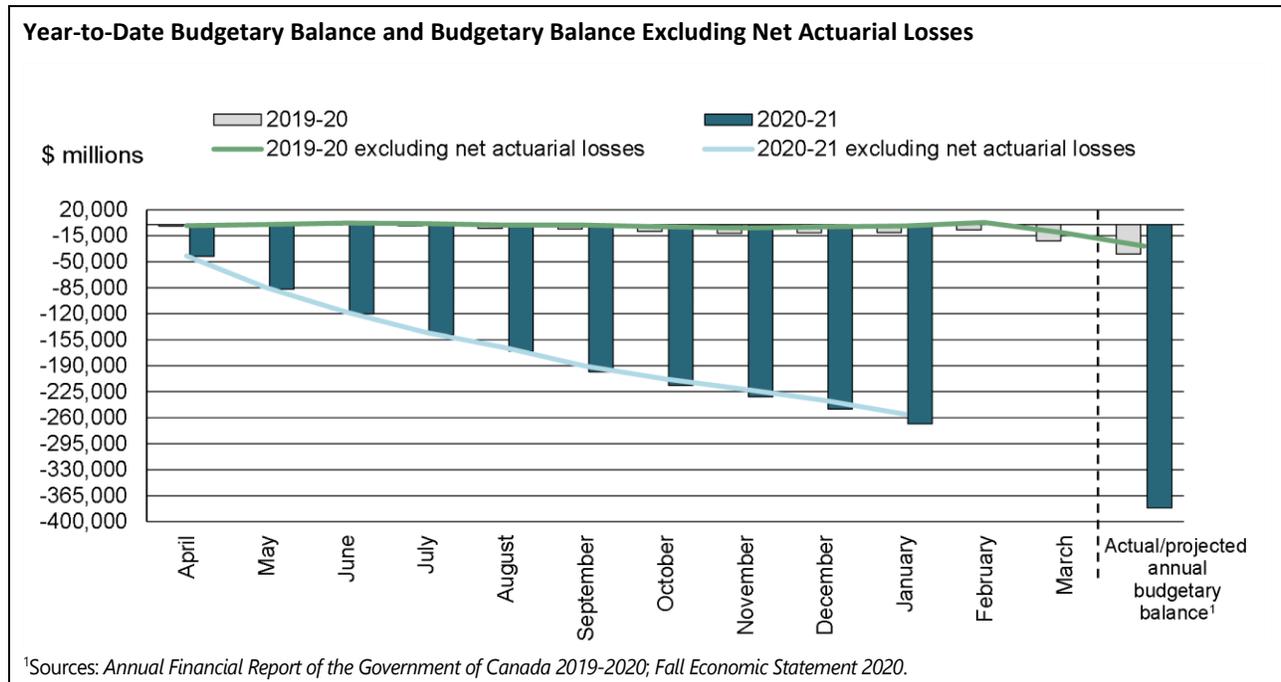


Table 1

Summary statement of transactions

\$ millions

	January		April to January	
	2020	2021	2019-20	2020-21
Budgetary transactions				
Revenues	30,326	28,083	276,311	235,772
Expenses				
Program expenses, excluding net actuarial losses ¹	-27,219	-45,053	-257,697	-473,951
Public debt charges	-1,795	-1,755	-20,199	-17,169
Budgetary balance, excluding net actuarial losses ¹	1,312	-18,725	-1,585	-255,348
Net actuarial losses ¹	-897	-1,284	-8,970	-12,833
Budgetary balance (deficit/surplus)	415	-20,009	-10,555	-268,181
Non-budgetary transactions	-1,654	3,902	-5,905	-39,580
Financial source/requirement	-1,239	-16,107	-16,460	-307,761
Net change in financing activities	6,055	6,007	17,638	337,198
Net change in cash balances	4,816	-10,100	1,178	29,437
Cash balance at end of period			41,181	74,117

Note: Positive numbers indicate net source of funds. Negative numbers indicate net requirement for funds.

¹ Comparative figures and figures for April to August 2020 have been reclassified to conform to the presentation used in the Annual Financial Report of the Government of Canada 2019-2020. Information regarding this reclassification can be found in Note 8 at the end of this document.

Revenues

Revenues in 2020–21 have been affected by the economic impacts of the COVID-19 crisis and by measures introduced under the government's Economic Response Plan, such as tax deferrals and the one-time Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit payment. However, due to challenges in isolating these impacts from underlying economic activity, it is not possible to provide an accurate measure of the impact of COVID-19 on federal revenues.

Revenues in January 2021 totalled \$28.1 billion, down \$2.2 billion, or 7.4 per cent, from January 2020.

- Tax revenues decreased by \$0.2 billion, or 0.8 per cent.
- Employment Insurance (EI) premium revenues were up \$19 million, or 0.7 per cent.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were up \$0.1 billion, or 46.0 per cent, reflecting a higher carbon pollution price in 2020.
- Other revenues, consisting of enterprise Crown corporations' net profits, sales of goods and services, returns on investments and net foreign exchange revenues, were down \$2.2 billion, or 81.8 per cent. This decrease largely reflects lower profits from enterprise Crown corporations, particularly the Bank of Canada, and lower revenues from interest and penalties. The decrease in Bank of Canada profits is attributable to the Bank's secondary market purchases of Government of Canada securities to support liquidity in financial markets. Under public sector accounting standards, premiums paid on these bond purchases are expensed immediately, which more than offsets interest earned on the securities during the month.

For the April to January period of 2020–21, revenues were \$235.8 billion, down \$40.5 billion, or 14.7 per cent, from the same period the previous year.

- Tax revenues decreased by \$16.5 billion, or 7.1 per cent, driven largely by declines in GST and corporate income tax revenues, reflecting COVID-19 impacts and related measures such as the one-time additional GST/HST credit payment. For its part, the federal portion of assessed cannabis excise duties increased by \$48 million to \$82 million over the April to January period.
- EI premium revenues were down \$0.2 billion, or 1.4 per cent.
- Assessed fuel charge proceeds were up \$1.8 billion, or 144.1 per cent, driven by the addition of Alberta to the fuel charge system and a higher carbon pollution price in 2020.
- Other revenues were down \$25.7 billion, or 104.6 per cent, largely reflecting the up-front expensing of premiums paid by the Bank of Canada on its secondary market purchases of Government of Canada securities, as well as lower profits from other enterprise Crown corporations and lower revenues from interest and penalties.

Table 2

Revenues

	January		Change	April to January		Change
	2020	2021		2019–20	2020–21	
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	14,288	15,186	6.3	136,950	137,075	0.1
Corporate	4,049	3,874	-4.3	39,334	35,835	-8.9
Non-resident	1,397	1,349	-3.4	8,496	7,042	-17.1
Total income tax revenues	19,734	20,409	3.4	184,780	179,952	-2.6
Other taxes and duties						
Goods and Services Tax	3,655	2,943	-19.5	34,186	24,713	-27.7
Energy taxes	472	418	-11.4	4,835	4,155	-14.1
Customs import duties	408	327	-19.9	4,304	3,372	-21.7
Other excise taxes and duties	514	477	-7.2	5,289	4,719	-10.8
Total excise taxes and duties	5,049	4,165	-17.5	48,614	36,959	-24.0
Total tax revenues	24,783	24,574	-0.8	233,394	216,911	-7.1
Fuel charge proceeds	250	365	46.0	1,273	3,108	144.1
Employment Insurance premiums	2,643	2,662	0.7	17,120	16,884	-1.4
Other revenues	2,650	482	-81.8	24,524	-1,131	-104.6
Total revenues	30,326	28,083	-7.4	276,311	235,772	-14.7

Note: Totals may not add due to rounding.

Expenses

Program expenses in 2020–21 have been significantly impacted by spending measures under the Economic Response Plan, including the CERB, the CEWS, the Safe Restart Agreement, the 33 per cent incentive under the CEBA, the Canada Recovery Benefits, the Canada Emergency Student Benefit (CESB), and the Canada Emergency Commercial Rent Assistance (CECRA) program. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses in January 2021 were \$45.1 billion, up \$17.8 billion, or 65.5 per cent, from January 2020.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were up \$6.4 billion or 75.5 per cent.
 - Elderly benefits increased by \$0.2 billion, or 3.6 per cent.
 - EI benefits increased by \$3.4 billion, or 192.3 per cent, reflecting higher unemployment from the crisis and temporary changes to the EI program to improve access.
 - Canada Recovery Benefits and CERB payments to individuals processed outside of the Employment Insurance Operating Account totalled \$2.9 billion. Canada Recovery Benefits include the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, and the Canada Recovery Caregiving Benefit, which are income support programs introduced under Canada's COVID-19 Economic Response Plan.
 - Children's benefits were up \$34 million, or 1.7 per cent.

- Major transfers to other levels of government were up \$0.9 billion, or 15.4 per cent, primarily reflecting transfers to provinces and territories under the Safe Return to Class Fund, as well as legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories.
- Direct program expenses were up \$10.5 billion, or 83.3 per cent. Within direct program expenses:
 - Fuel charge proceeds returned increased by \$18 million, or 450.0 per cent, largely reflecting the maturity of the program and an increase in the rate of the Climate Action Incentive payments for tax year 2019.
 - The CEWS reflects \$7.1 billion in payments to eligible employers under Canada's COVID-19 Economic Response Plan.
 - Other transfer payments increased by \$3.0 billion, or 56.6 per cent, largely reflecting a number of COVID-19 response measures, such as the expanded CEBA program, the Canada Emergency Rent Subsidy (CERS), and the doubling of Canada Student Grant amounts.
 - Operating expenses of the government's departments, agencies and consolidated Crown corporations and other entities increased by \$0.3 billion, or 4.6 per cent, largely reflecting purchases of medical and personal protective equipment in response to the COVID-19 crisis and increased current service costs for pensions and other employee future benefits based on updated actuarial valuations.

Public debt charges decreased by \$40 million, or 2.2 per cent.

Net actuarial losses, which represent the amortization of changes in the value of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years, increased by \$0.4 billion, or 43.1 per cent, in large part due to declines in year-end interest rates used in valuing these obligations, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans.

For the April to January period of 2020–21, program expenses excluding net actuarial losses were \$474.0 billion, up \$216.3 billion, or 83.9 per cent, from the same period the previous year.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were up \$91.5 billion or 110.6 per cent.
 - Elderly benefits increased by \$2.3 billion, or 4.8 per cent, reflecting growth in the number of recipients.
 - EI benefits increased by \$36.2 billion, or 227.7 per cent, due to higher unemployment resulting from the crisis and temporary changes to the EI program to improve access. EI benefits included \$27.5 billion in CERB benefits processed through the Employment Insurance Operating Account.
 - Canada Recovery Benefits and CERB payments to individuals processed outside of the Employment Insurance Operating Account totalled \$50.6 billion.
 - Children's benefits were up \$2.4 billion, or 11.9 per cent, largely reflecting the one-time increase to the May 2020 Canada Child Benefit payment.
- Major transfers to other levels of government were up \$19.4 billion, or 29.4 per cent, largely reflecting transfers under the Safe Restart Agreement and the Essential Workers Wage Top-Up; legislated growth in 2020–21 in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories; funding to clean up orphan and inactive oil and gas wells; and transfers through the Safe Return to Class Fund. These increases were offset in part by a \$1.9-billion expense recorded in April 2019 resulting from the Hibernia Dividend Backed Annuity Agreement between Canada and Newfoundland and Labrador, which did not recur in 2020–21.

- Direct program expenses were up \$105.3 billion, or 96.7 per cent. Within direct program expenses:
 - Fuel charge proceeds returned increased by \$1.5 billion, or 118.9 per cent, largely reflecting the continued administration of Climate Action Incentive payments, at an increased rate, for the 2019 tax year.
 - The CEWS accounted for \$66.4 billion in payments to eligible employers.
 - Other transfer payments increased by \$32.7 billion, or 89.8 per cent, largely reflecting a number of COVID-19 response measures, including the 33 per cent incentive under the CEBA, transfers to students under the CESB, support for seniors to cover increased costs as a result of COVID-19, and payments under the CECRA and CERS programs.
 - Operating expenses of the government's departments, agencies and consolidated Crown corporations and other entities increased by \$4.7 billion, or 6.7 per cent, reflecting in large part purchases of medical and personal protective equipment in response to the COVID-19 crisis and increased current service costs for pensions and other employee future benefits based on updated actuarial valuations.

Public debt charges decreased by \$3.0 billion, or 15.0 per cent, primarily reflecting lower interest on pension and benefit obligations, lower Consumer Price Index adjustments on Real Return Bonds, and lower interest on Government of Canada treasury bills.

Net actuarial losses increased by \$3.9 billion, or 43.1 per cent, reflecting increases in the measurement of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years. The increase in net actuarial losses is due in large part to declines in year-end interest rates used in valuing these obligations and increased costs associated with the utilization of disability and other future benefits provided to veterans.

Table 3

Expenses

	January			April to January		
	2020	2021	Change	2019–20	2020–21	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	4,772	4,945	3.6	46,586	48,842	4.8
Employment Insurance benefits ¹	1,745	5,101	192.3	15,890	52,076	227.7
Canada Emergency Response Benefit and Canada Recovery Benefits ¹	-	2,866	n/a	-	50,649	n/a
Children's benefits	2,003	2,037	1.7	20,225	22,631	11.9
Total major transfers to persons	8,520	14,949	75.5	82,701	174,198	110.6
Major transfers to other levels of government						
Canada Health Transfer	3,364	3,489	3.7	33,644	34,891	3.7
Canada Social Transfer	1,215	1,252	3.0	12,155	12,519	3.0
Equalization	1,653	1,714	3.7	16,531	17,144	3.7
Territorial Formula Financing	268	284	6.0	3,411	3,612	5.9
Gas Tax Fund	41	-	-100.0	2,134	2,170	1.7
Home care and mental health	64	-	-100.0	1,079	1,249	15.8
Other fiscal arrangements ²	-463	350	175.6	-2,840	13,977	592.1
Total major transfers to other levels of government	6,142	7,089	15.4	66,114	85,562	29.4
Direct program expenses³						
Fuel charge proceeds returned	4	22	450.0	1,285	2,813	118.9
Canada Emergency Wage Subsidy	-	7,062	n/a	-	66,377	n/a
Other transfer payments	5,388	8,435	56.6	36,367	69,027	89.8
Operating expenses	7,165	7,496	4.6	71,230	75,974	6.7
Total direct program expenses	12,557	23,015	83.3	108,882	214,191	96.7
Total program expenses, excluding net actuarial losses³						
	27,219	45,053	65.5	257,697	473,951	83.9
Public debt charges						
	1,795	1,755	-2.2	20,199	17,169	-15.0
Total expenses, excluding net actuarial losses³						
	29,014	46,808	61.3	277,896	491,120	76.7
Net actuarial losses ³	897	1,284	43.1	8,970	12,833	43.1
Total expenses						
	29,911	48,092	60.8	286,866	503,953	75.7

Note: Totals may not add due to rounding.

¹ Figures for April to August 2020 have been reclassified to conform to the presentation used in the *Annual Financial Report of the Government of Canada 2019–2020*. Information regarding this reclassification can be found in Note 8 at the end of this document.

² Other fiscal arrangements include the Youth Allowances Recovery and Alternative Payments for Standing Programs, which represent a recovery from Quebec of a tax point transfer; statutory subsidies; payments under the 2005 Offshore Accords; payments to provinces in respect of common securities regulation; transfers under the new Hibernia Dividend Backed Annuity Agreement with Newfoundland and Labrador; the Essential Workers Wage Top-Up; transfers under the Safe Restart Agreement; and, other items.

³ Comparative figures and figures for April to August 2020 have been reclassified to conform to the presentation used in the *Annual Financial Report of the Government of Canada 2019–2020*. Information regarding this reclassification can be found in Note 8 at the end of this document.

The following table presents total expenses by main object of expense.

Table 4

Total expenses by object of expense

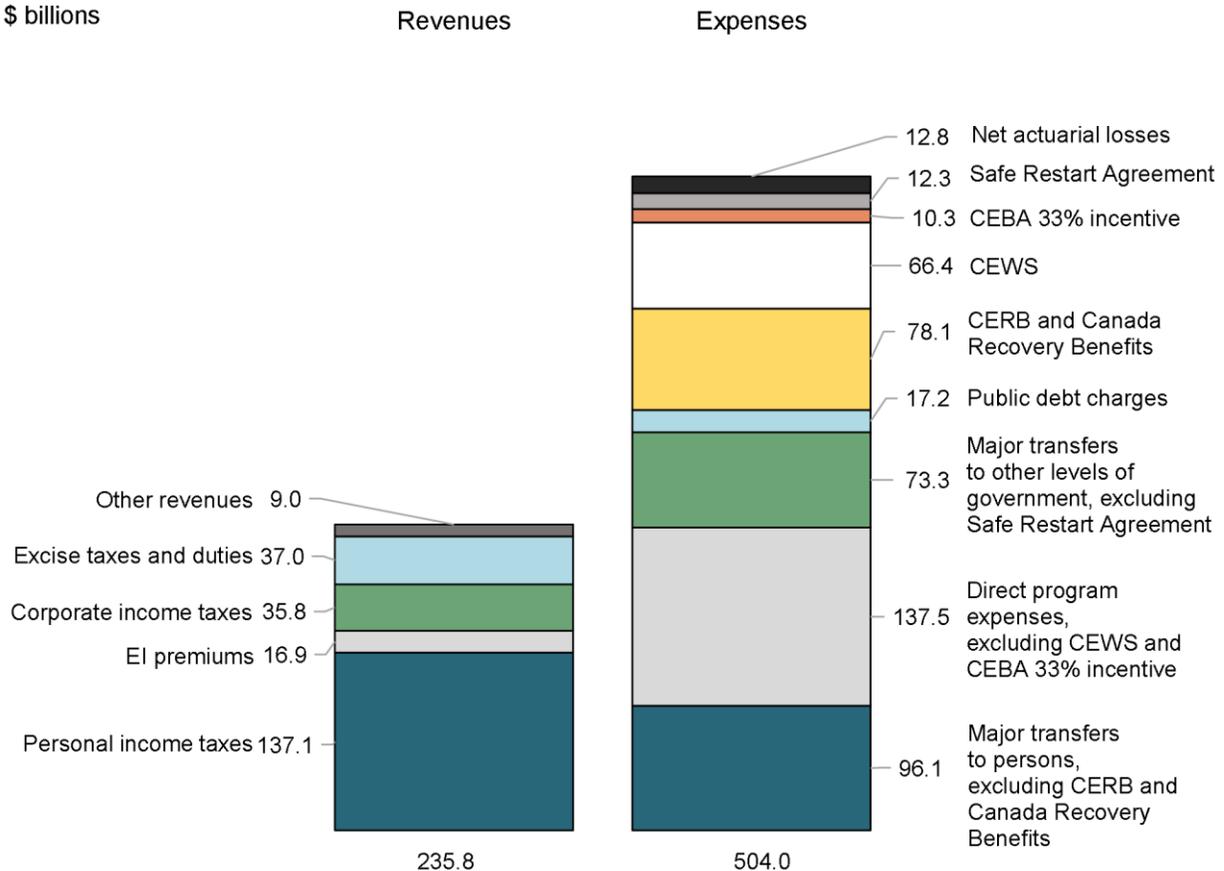
	January			April to January		
	2020	2021	Change	2019–20	2020–21	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	20,054	37,557	87.3	186,467	397,977	113.4
Other expenses						
Personnel, excluding net actuarial losses ¹	4,200	4,576	9.0	41,822	45,157	8.0
Transportation and communications	209	127	-39.2	2,177	1,408	-35.3
Information	29	51	75.9	248	307	23.8
Professional and special services	971	1,034	6.5	8,912	9,037	1.4
Rentals	298	358	20.1	2,640	2,799	6.0
Repair and maintenance	247	257	4.0	2,501	2,326	-7.0
Utilities, materials and supplies	206	534	159.2	2,075	4,843	133.4
Other subsidies and expenses	568	111	-80.5	6,466	5,530	-14.5
Amortization of tangible capital assets	427	438	2.6	4,270	4,475	4.8
Net loss on disposal of assets	10	10	0.0	119	92	-22.7
Total other expenses	7,165	7,496	4.6	71,230	75,974	6.7
Total program expenses, excluding net actuarial losses¹	27,219	45,053	65.5	257,697	473,951	83.9
Public debt charges	1,795	1,755	-2.2	20,199	17,169	-15.0
Total expenses, excluding net actuarial losses¹	29,014	46,808	61.3	277,896	491,120	76.7
Net actuarial losses ¹	897	1,284	43.1	8,970	12,833	43.1
Total expenses	29,911	48,092	60.8	286,866	503,953	75.7

Note: Totals may not add due to rounding.

¹ Comparative figures and figures for April to August 2020 have been reclassified to conform to the presentation used in the *Annual Financial Report of the Government of Canada 2019–2020*. Information regarding this reclassification can be found in Note 8 at the end of this document.

Revenues and expenses (April to January 2021)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$307.8 billion for April 2020 to January 2021

The budgetary balance is presented on an accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid. In contrast, the financial source/requirement measures the difference between cash coming in to the government and cash going out. This measure is affected not only by changes in the budgetary balance but also by the cash source/requirement resulting from the government's investing activities through its acquisition of capital assets and its loans, financial investments and advances, as well as from other activities, including payment of accounts payable and collection of accounts receivable, foreign exchange activities, and the amortization of its tangible capital assets. The difference between the budgetary balance and financial source/requirement is recorded in non-budgetary transactions.

With a budgetary deficit of \$268.2 billion and a requirement of \$39.6 billion from non-budgetary transactions, there was a financial requirement of \$307.8 billion for the April 2020 to January 2021 period, compared to a financial requirement of \$16.5 billion for the same period of the previous year.

The increased financial requirement for non-budgetary transactions for the April 2020 to January 2021 period was mainly driven by changes in loans, investments and advances; and accounts payable, accrued liabilities and accounts receivable. Changes to loans, investments and advances largely reflect loans advanced under the CEBA program, while changes to accounts payable, accrued liabilities and accounts receivable reflect a number of factors, including year-over-year changes in the balances of taxes receivable and amounts payable related to tax.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	January		April to January	
	2020	2021	2019–20	2020–21
Budgetary balance (deficit/surplus)	415	-20,009	-10,555	-268,181
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	1,471	4,568	-1,666	-16,168
Pensions, other future benefits, and other liabilities	762	1,143	8,923	13,392
Foreign exchange accounts	-2,351	751	-1,136	5,140
Loans, investments and advances	-1,205	-2,036	-10,210	-37,639
Non-financial assets	-331	-524	-1,816	-4,305
Total non-budgetary transactions	-1,654	3,902	-5,905	-39,580
Financial source/requirement	-1,239	-16,107	-16,460	-307,761

Note: Totals may not add due to rounding.

Net financing activities up \$337.2 billion

The government financed this financial requirement of \$307.8 billion and increased cash balances by \$29.4 billion by increasing unmatured debt by \$337.2 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of January 2021 stood at \$74.1 billion, up \$29.4 billion from their level at the end of March 2020. The significant increase in the cash balance largely reflects borrowings undertaken to meet the government's projected financial requirements under the COVID-19 Economic Response Plan.

Table 6

Financial source/requirement and net financing activities

\$ millions

	January		April to January	
	2020	2021	2019-20	2020-21
Financial source/requirement	-1,239	-16,107	-16,460	-307,761
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	3,740	17,105	29,729	249,340
Treasury bills	-	-11,400	-9,500	85,633
Retail debt	-19	-3	-706	-192
Total Canadian currency borrowings	3,721	5,702	19,523	334,781
Foreign currency borrowings	1,032	55	-88	1,226
Total market debt transactions	4,753	5,757	19,435	336,007
Cross-currency swap revaluation	1,387	106	-1,245	-7,196
Unamortized discounts and premiums on market debt	-74	153	328	8,591
Obligations related to capital leases and other unmatured debt	-11	-9	-880	-204
Net change in financing activities	6,055	6,007	17,638	337,198
Change in cash balance	4,816	-10,100	1,178	29,437
Cash balance at end of period			41,181	74,117

Note: Totals may not add due to rounding.

Federal debt

The federal debt, or accumulated deficit, is the difference between the government's total liabilities and total assets. The year-over-year change in the accumulated deficit reflects the year-to-date budgetary balance plus other comprehensive income or loss. Other comprehensive income or loss represents certain unrealized gains and losses on financial instruments and actuarial gains and losses related to pensions and other employee future benefits reported by enterprise Crown corporations and other government business enterprises.

The accumulated deficit increased by \$271.7 billion over the April 2020 to January 2021 period, reflecting the \$268.2-billion budgetary deficit and \$3.5 billion in other comprehensive losses.

Table 7

Condensed statement of assets and liabilities

\$ millions

	March 31, 2020	January 31, 2021	Change
Liabilities			
Accounts payable and accrued liabilities ¹	163,833	165,225	1,392
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	596,864	846,204	249,340
Treasury bills	151,867	237,500	85,633
Retail debt	497	305	-192
Subtotal	749,228	1,084,009	334,781
Payable in foreign currencies	15,941	17,167	1,226
Cross-currency swap revaluation	10,592	3,396	-7,196
Unamortized discounts and premiums on market debt	2,487	11,078	8,591
Obligations related to capital leases and other unmaturing debt	5,503	5,299	-204
Total unmaturing debt	783,751	1,120,949	337,198
Pension and other liabilities			
Public sector pensions	168,596	167,818	-778
Other employee and veteran future benefits	126,378	140,620	14,242
Other liabilities	6,051	5,979	-72
Total pension and other liabilities	301,025	314,417	13,392
Total interest-bearing debt	1,084,776	1,435,366	350,590
Total liabilities	1,248,609	1,600,591	351,982
Financial assets			
Cash and accounts receivable ¹	173,715	220,712	46,997
Foreign exchange accounts	104,903	99,763	-5,140
Loans, investments, and advances (net of allowances) ²	152,502	186,599	34,097
Public sector pension assets	4,598	4,598	-
Total financial assets	435,718	511,672	75,954
Net debt	812,891	1,088,919	276,028
Non-financial assets	91,531	95,836	4,305
Federal debt (accumulated deficit)	721,360	993,083	271,723

Note: Totals may not add due to rounding.

¹ Figures have been adjusted to reflect a correction to the classification of certain amounts in the current year.² January 31, 2021 amount includes \$3.5 billion in other comprehensive losses from enterprise Crown corporations and other government business enterprises for the April 2020 to January 2021 period.

Notes

1. *The Fiscal Monitor* is a report on the consolidated financial results of the Government of Canada, prepared monthly by the Department of Finance Canada. The government is committed to releasing *The Fiscal Monitor* on a timely basis in accordance with the International Monetary Fund's Special Data Dissemination Standards Plus, which are designed to promote member countries' data transparency and promote the development of sound statistical systems.
2. The financial results reported in *The Fiscal Monitor* are drawn from the accounts of Canada, which are maintained by the Receiver General and used to prepare the annual *Public Accounts of Canada*.
3. *The Fiscal Monitor* is generally prepared in accordance with the same accounting policies as used to prepare the government's annual consolidated financial statements, which are summarized in Section 2 of Volume I of the *Public Accounts of Canada*, available through the Public Services and Procurement Canada website.
4. The financial results presented in *The Fiscal Monitor* have not been audited or reviewed by an external auditor.
5. There can be substantial volatility in monthly results due to the timing of revenue receipts and expense recognition. For instance, a large share of government spending is typically reported in the March *Fiscal Monitor*.
6. The April to March results reported in *The Fiscal Monitor* are not the final results for the fiscal year as a whole. The final results are published in the annual *Public Accounts of Canada* and incorporate post-March end-of-year adjustments made once further information becomes available, including the accrual of tax revenues reflecting assessments of tax returns and valuation adjustments for assets and liabilities. Post-March adjustments may also include the accrual of measures announced in the budget that are recorded upon receipt of Royal Assent of enabling legislation.
7. Table 7, Condensed Statement of Assets and Liabilities, is included in the monthly *Fiscal Monitor* following the finalization and publication of the government's financial results for the preceding fiscal year, typically in the fall.
8. The Department of Finance Canada has changed the presentation of the financial results in *The Fiscal Monitor* to: (a) separately present the recognition of actuarial gains and losses related to public sector pensions and other employee and veteran future benefits; and, (b) reflect CERB benefits paid to individuals processed through the Employment Insurance Operating Account within EI benefits. This new format is aligned with the presentation adopted in the Condensed Consolidated Statement of Operations and Accumulated Deficit in the *Annual Financial Report of the Government of Canada 2019–2020*.
 - a. Actuarial gains and losses were previously reported as part of direct program expenses, but are now presented in a new line item titled "Net actuarial losses". A new subtotal line titled "Budgetary balance, excluding net actuarial losses" has also been added. The purpose of this revised presentation is to enhance financial reporting and decision making for users by isolating the impacts of re-measurements of public sector pension and other employee and veteran future benefit obligations, which are often significant and can potentially mask underlying events and trends in current government spending. Results for April to August 2020 and comparative figures for the prior year have been reclassified to conform to this new presentation. Further details regarding this change in presentation can be found in the *Annual Financial Report of the Government of Canada 2019–2020*, available on the Department of Finance Canada website.
 - b. CERB payments processed through the Employment Insurance Operating Account were previously reported in *The Fiscal Monitor* within the line item titled "Canada Emergency Response Benefit", but are now presented in the line item "Employment Insurance benefits". Results for April to August 2020 have been reclassified to conform to this new presentation.

Note: Unless otherwise noted, changes in financial results are presented on a year-over-year basis.

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