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Ministère des Finances
Canada



THE FISCAL MONITOR

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Financial Results for October 2021

Canada 

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Highlights

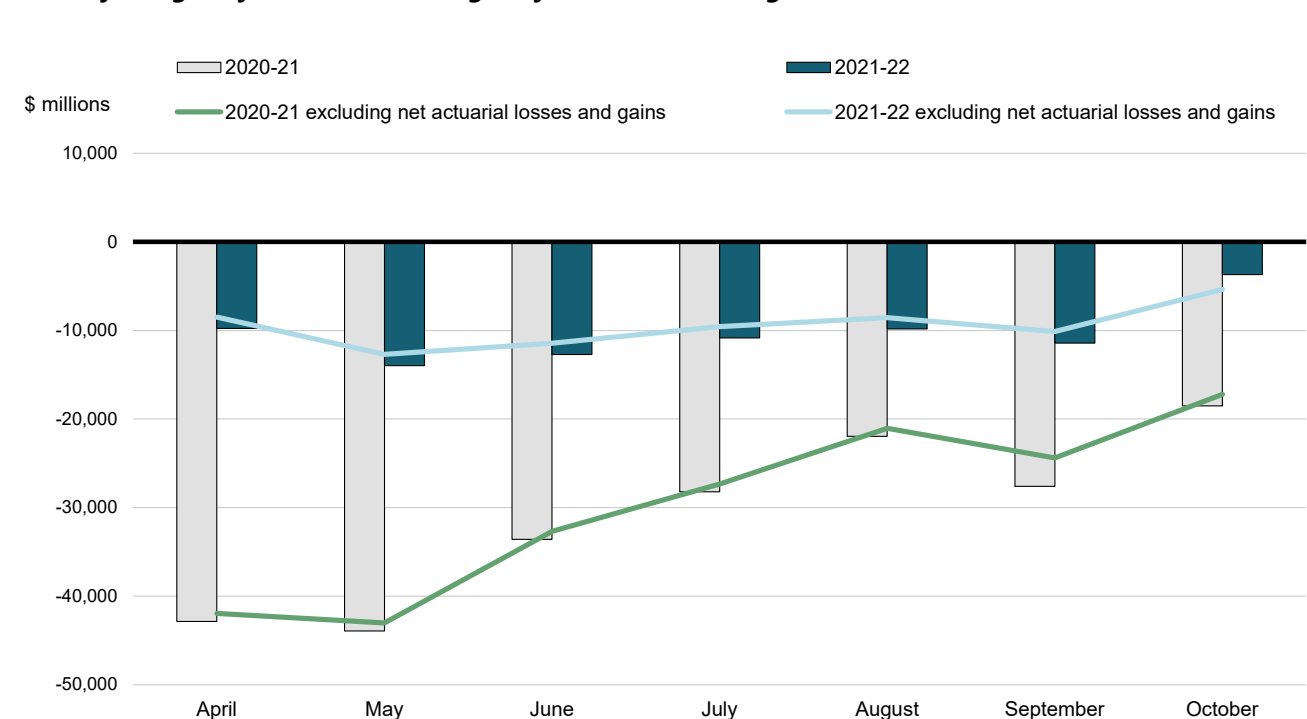
October 2021

There was a budgetary deficit of \$3.7 billion in October 2021, compared to a deficit of \$18.5 billion in October 2020. The budgetary deficit before net actuarial losses and gains was \$5.4 billion, compared to a deficit of \$17.2 billion in the same period of 2020–21. The budgetary balance before net actuarial losses and gains is intended 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 and gains arising from the revaluation of the government’s pension and other employee future benefit plans.

As expected, the government’s 2021–22 financial results show a marked improvement compared to the peak of the COVID-19 crisis reached in early 2020–21, and the unprecedented level of temporary COVID-19 response measures at the time. That said, they continue to reflect challenging economic conditions, including the impact of continuing restrictions, and the remaining temporary COVID-19 Economic Response Plan supports in 2021–22.

Chart 1

Monthly Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains



Compared to October 2020:

- Revenues increased by \$7.4 billion, or 30.9 per cent, on a year-over-year basis, largely reflecting an increase in tax revenues and other revenues.
- Program expenses excluding net actuarial losses and gains were down \$5.7 billion, or 14.2 per cent, largely reflecting decreased transfers under the COVID-19 Economic Response Plan, including the Canada Emergency Wage Subsidy (CEWS), and a decrease in Employment Insurance (EI) benefits.
- Public debt charges increased \$1.2 billion, or 78.6 per cent, reflecting higher interest on the government's pension and other employee future benefit obligations and higher Consumer Price Index adjustments on Real Return Bonds.
- The government recorded net actuarial gains of \$1.7 billion in October 2021, compared to net actuarial losses of \$1.3 billion in October 2020, largely due to a year-to-date adjustment in October 2021 to reflect the government's latest actuarial valuations for pensions and benefits.

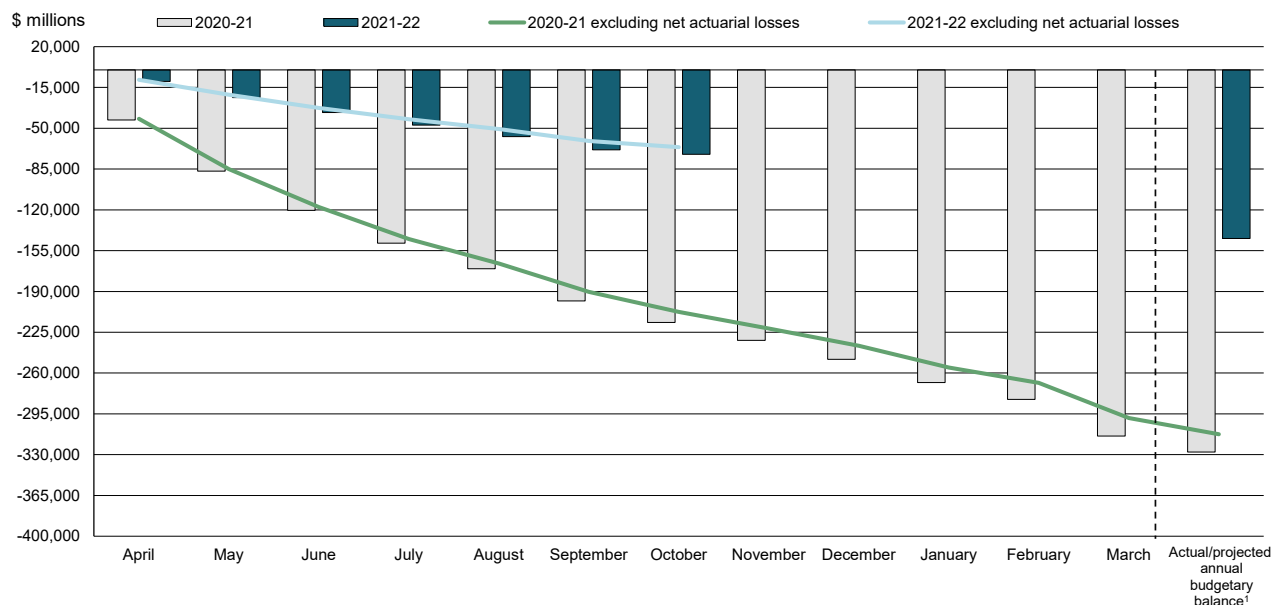
April to October 2021

The government posted a budgetary deficit of \$72.3 billion for the April to October period of the 2021–22 fiscal year, compared to a deficit of \$216.6 billion reported for the same period of 2020–21. The budgetary deficit before net actuarial losses was \$66.2 billion, compared to a deficit of \$207.6 billion in the April to October period of 2020–21.

Compared to 2020–21:

- Revenues were up \$54.4 billion, or 35.6 per cent, primarily reflecting higher tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down \$89.5 billion, or 25.7 per cent, largely reflecting lower transfers to individuals, businesses, and other levels of government under the Economic Response Plan.
- Public debt charges increased by \$2.5 billion, or 21.2 per cent, primarily driven by higher Consumer Price Index adjustments on Real Return Bonds and higher interest on the government's pension and other employee future benefit obligations. Interest on marketable bonds also increased compared to the prior year, but was more than offset by a decrease in interest on treasury bills.
- Net actuarial losses decreased by \$3.0 billion, or 33.0 per cent, reflecting a decrease in the measurement of the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2021*. This decrease reflects higher prevailing interest rates at the end of 2020–21 used in valuing these obligations.

Chart 2

Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses

¹ Sources: Annual Financial Report of the Government of Canada 2020-2021; Economic and Fiscal Update 2021.

Table 1

Summary statement of transactions

\$ millions

	October		April to October	
	2020	2021	2020-21	2021-22
Budgetary transactions				
Revenues	24,067	31,512	152,915	207,329
Expenses				
Program expenses, excluding net actuarial losses and gains	-39,714	-34,059	-348,582	-259,054
Public debt charges	-1,576	-2,815	-11,966	-14,507
Budgetary balance, excluding net actuarial losses and gains	-17,223	-5,362	-207,633	-66,232
Net actuarial (losses) gains	-1,283	1,678	-8,983	-6,020
Budgetary balance (deficit/surplus)	-18,506	-3,684	-216,616	-72,252
Non-budgetary transactions	13,351	-13,995	-41,062	-19,545
Financial source/requirement	-5,155	-17,679	-257,678	-91,797
Net change in financing activities	28,736	16,752	324,799	93,541
Net change in cash balances	23,581	-927	67,121	1,744
Cash balance at end of period			111,801	61,133

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

Revenues

Revenues have been affected by the economic impacts of the COVID-19 crisis and by measures introduced under the government's Economic Response Plan, including tax deferrals and the one-time Goods and Services Tax (GST) credit payment offered in 2020–21. 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 October 2021 totalled \$31.5 billion, up \$7.4 billion, or 30.9 per cent, from October 2020.

- Tax revenues increased by \$5.9 billion, or 27.3 per cent, reflecting strength in all streams compared to the same period in 2020–21, when COVID-19 lockdowns continued to weigh on revenues.
- EI premium revenues were up \$0.1 billion, or 4.3 per cent.
- Proceeds from the pollution pricing framework were up \$0.2 billion, or 81.4 per cent.
- Other revenues, consisting of enterprise Crown corporations' net profits, sales of goods and services, returns on investments and net foreign exchange revenues, were up \$1.3 billion, or 120.9 per cent, from October 2020. This increase largely reflects higher profits from enterprise Crown corporations, including Bank of Canada profits related to its secondary market purchases of Government of Canada securities to support liquidity in financial markets. Under public sector accounting standards, premiums paid on bond purchases by the Bank of Canada are expensed immediately. Whereas premiums more than offset interest earnings on the securities in 2020–21, premiums paid have since decreased and interest earnings have increased.

Revenues for the April to October period of 2021–22 totalled \$207.3 billion, up \$54.4 billion, or 35.6 per cent, from the same period in 2020–21.

- Tax revenues increased by \$35.0 billion, or 24.7 per cent, compared to the same period in 2020–21, when COVID-19 resulted in the shutdown of large portions of the economy and government support measures such as the one-time enhanced GST credit payment and deferral of tax filing and payment deadlines were introduced. For its part, the federal portion of assessed cannabis excise duties increased by \$39 million to \$87 million over the April to October period.
- EI premium revenues were up \$0.8 billion, or 6.6 per cent, reflecting better labour market conditions.
- Proceeds from the pollution pricing framework were up \$0.9 billion, or 39.5 per cent, reflecting higher carbon pollution pricing and consumption in 2021.
- Other revenues were up \$17.8 billion, from -\$3.0 billion in 2020–21 to \$14.7 billion in 2021–22, largely reflecting higher Bank of Canada profits.

Table 2

Revenues

	October		Change	April to October		
	2020	2021		2020–21	2021–22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	12,313	15,339	24.6	91,136	100,894	10.7
Corporate	3,860	5,035	30.4	22,425	34,034	51.8
Non-resident	674	939	39.3	4,409	5,105	15.8
Total income tax revenues	16,847	21,313	26.5	117,970	140,033	18.7
Other taxes and duties						
Goods and Services Tax	3,453	4,522	31.0	15,188	26,906	77.2
Energy taxes	465	505	8.6	2,827	3,053	8.0
Customs import duties	418	491	17.5	2,310	3,197	38.4
Other excise taxes and duties	346	577	66.8	3,328	3,435	3.2
Total excise taxes and duties	4,682	6,095	30.2	23,653	36,591	54.7
Total tax revenues	21,529	27,408	27.3	141,623	176,624	24.7
Proceeds from the pollution pricing framework	221	401	81.4	2,162	3,015	39.5
Employment Insurance premiums	1,214	1,266	4.3	12,138	12,943	6.6
Other revenues	1,103	2,437	120.9	-3,008	14,747	590.3
Total revenues	24,067	31,512	30.9	152,915	207,329	35.6

Note: Totals may not add due to rounding.

Expenses

Program expenses have been significantly affected by spending measures under the Economic Response Plan, including the Canada Emergency Response Benefit (CERB), CEWS, Canada Recovery Benefits, and the Canada Emergency Business Account (CEBA) repayment incentive. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses and gains in October 2021 were \$34.1 billion, down \$5.7 billion, or 14.2 per cent, from October 2020.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were down \$1.0 billion or 7.6 per cent.
 - Elderly benefits increased by \$0.3 billion, or 5.2 per cent, in large part due to growth in the number of recipients.
 - EI benefits decreased by \$1.7 billion, or 42.0 per cent, reflecting improved labour market conditions and the expiration of certain temporary changes made to EI in the prior year.
 - Canada Recovery Benefits and CERB payments to individuals processed outside of the EI Operating Account decreased \$0.1 billion, or 2.8 per cent.
 - Children's benefits were up \$0.5 billion, or 24.7 per cent, reflecting the October 2021 payment of temporary support for families with young children.

- Major transfers to other levels of government were down \$0.2 billion, or 2.6 per cent, due mainly to an adjustment to reflect a revised estimate of recoveries under the Quebec Abatement.
- Direct program expenses were down \$4.5 billion, or 22.0 per cent. Within direct program expenses:
 - Proceeds from the pollution pricing framework returned decreased by \$16 million, or 29.6 per cent.
 - CEWS payments decreased by \$3.7 billion, or 63.7 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
 - Other transfer payments decreased by \$1.0 billion, or 14.4 per cent, reflecting a decrease in temporary transfers under the COVID-19 Economic Response Plan.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.3 billion, or 3.5 per cent.

Public debt charges increased \$1.2 billion, or 78.6 per cent, reflecting higher interest on the government's pension and other employee future benefit obligations and higher Consumer Price Index adjustments on Real Return Bonds.

Net actuarial losses and gains, 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, contributed a \$1.7-billion gain, compared to a \$1.3-billion loss in the same period of the prior year. This largely reflects a year-to-date adjustment to incorporate updated actuarial valuations for pensions and benefits prepared for the *Public Accounts of Canada 2021*. The lower valuations of these obligations reflect higher prevailing interest rates at the end of 2020–21.

For the April to October period of 2021–22, program expenses excluding net actuarial losses were \$259.1 billion, down \$89.5 billion, or 25.7 per cent, from the same period the previous year.

- Major transfers to persons were down \$38.3 billion or 29.1 per cent.
 - Elderly benefits increased by \$1.1 billion, or 3.1 per cent, reflecting growth in the number of recipients.
 - EI benefits decreased by \$12.5 billion, or 31.8 per cent, reflecting improved labour market conditions. EI benefits for the same period of the previous year included \$27.6 billion in CERB benefits processed through the EI Operating Account. Per the government's announcement in 2020, the EI Operating Account will be credited for CERB benefits.
 - Canada Recovery Benefits and CERB payments to individuals processed outside of the EI Operating Account decreased \$26.4 billion, or 63.2 per cent, reflecting the wind-down of the CERB in 2020–21 and the introduction of the new suite of Canada Recovery Benefits.
 - Children's benefits were down \$0.3 billion, or 2.1 per cent, largely reflecting the one-time enhanced Canada Child Benefit (CCB) payment in May 2020. This decrease was offset in part by the introduction of the CCB young child supplement for 2021.

- Major transfers to other levels of government were down \$15.5 billion, or 24.1 per cent, primarily reflecting transfers made to provinces and territories in the prior year under the Safe Restart Agreement, the Essential Workers Wage Top-Up, and the Safe Return to Class Fund, as well as transfers to clean up orphan and inactive oil and gas wells.
- Direct program expenses were down \$35.8 billion, or 23.4 per cent. Within direct program expenses:
 - Proceeds from the pollution pricing framework returned increased by \$0.9 billion, or 33.5 per cent, largely reflecting an increase in the rate of the Climate Action Incentive for tax year 2020.
 - CEWS payments decreased by \$30.7 billion, or 61.3 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
 - Other transfer payments decreased by \$10.8 billion, or 22.7 per cent, largely reflecting a decrease in repayment incentive costs under the CEBA program owing to lower take-up compared to the same period in 2020 and the end of temporary COVID-19 response measures introduced in the previous year.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$4.8 billion, or 9.1 per cent, largely reflecting increases in personnel costs and expenses associated with purchases of vaccines.

Public debt charges increased by \$2.5 billion, or 21.2 per cent, primarily driven by higher Consumer Price Index adjustments on Real Return Bonds and higher interest on the government's pension and other employee future benefit obligations. Interest on marketable bonds also increased compared to the prior year, but was more than offset by a decrease in interest on treasury bills.

Net actuarial losses decreased by \$3.0 billion, or 33.0 per cent, reflecting the amortization of a decrease in the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2021*. This decrease reflects higher prevailing interest rates at the end of 2020–21 used in valuing these obligations.

Table 3

Expenses

	October			April to October		
	2020	2021	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	4,912	5,166	5.2	34,115	35,177	3.1
Employment Insurance benefits	4,069	2,359	-42.0	39,453	26,911	-31.8
Canada Emergency Response Benefit and Canada Recovery Benefits	1,958	1,903	-2.8	41,818	15,371	-63.2
Children's benefits	2,087	2,603	24.7	16,310	15,968	-2.1
Total major transfers to persons	13,026	12,031	-7.6	131,696	93,427	-29.1
Major transfers to other levels of government						
Canada Health Transfer	3,489	3,594	3.0	24,424	25,157	3.0
Canada Social Transfer	1,252	1,289	3.0	8,764	9,026	3.0
Equalization	1,714	1,743	1.7	12,001	12,198	1.6
Territorial Formula Financing	284	298	4.9	2,759	2,891	4.8
Canada Community-Building Fund	-	-	n/a	2,170	2,320	6.9
Home care and mental health	-	-	n/a	625	831	33.0
Other fiscal arrangements ¹	-452	-801	-77.2	13,523	-3,649	-127.0
Total major transfers to other levels of government	6,287	6,123	-2.6	64,266	48,774	-24.1
Direct program expenses						
Proceeds from the pollution pricing framework returned	54	38	-29.6	2,717	3,626	33.5
Canada Emergency Wage Subsidy	5,886	2,139	-63.7	50,023	19,362	-61.3
Other transfer payments	6,939	5,940	-14.4	47,450	36,669	-22.7
Operating expenses	7,522	7,788	3.5	52,430	57,196	9.1
Total direct program expenses	20,401	15,905	-22.0	152,620	116,853	-23.4
Total program expenses, excluding net actuarial losses and gains	39,714	34,059	-14.2	348,582	259,054	-25.7
Public debt charges	1,576	2,815	78.6	11,966	14,507	21.2
Total expenses, excluding net actuarial losses and gains	41,290	36,874	-10.7	360,548	273,561	-24.1
Net actuarial losses (gains)	1,283	-1,678	-230.8	8,983	6,020	-33.0
Total expenses	42,573	35,196	-17.3	369,531	279,581	-24.3

Note: Totals may not add due to rounding.

¹ Other fiscal arrangements include the Youth Allowance Recovery and Alternative Payments for Standing Programs, which represent a recovery from Quebec of a tax point transfer; statutory subsidies; transfers under the COVID-19 Essential Workers Support Fund and the Safe Restart Agreement; and, other items.

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

Table 4

Total expenses by object of expense

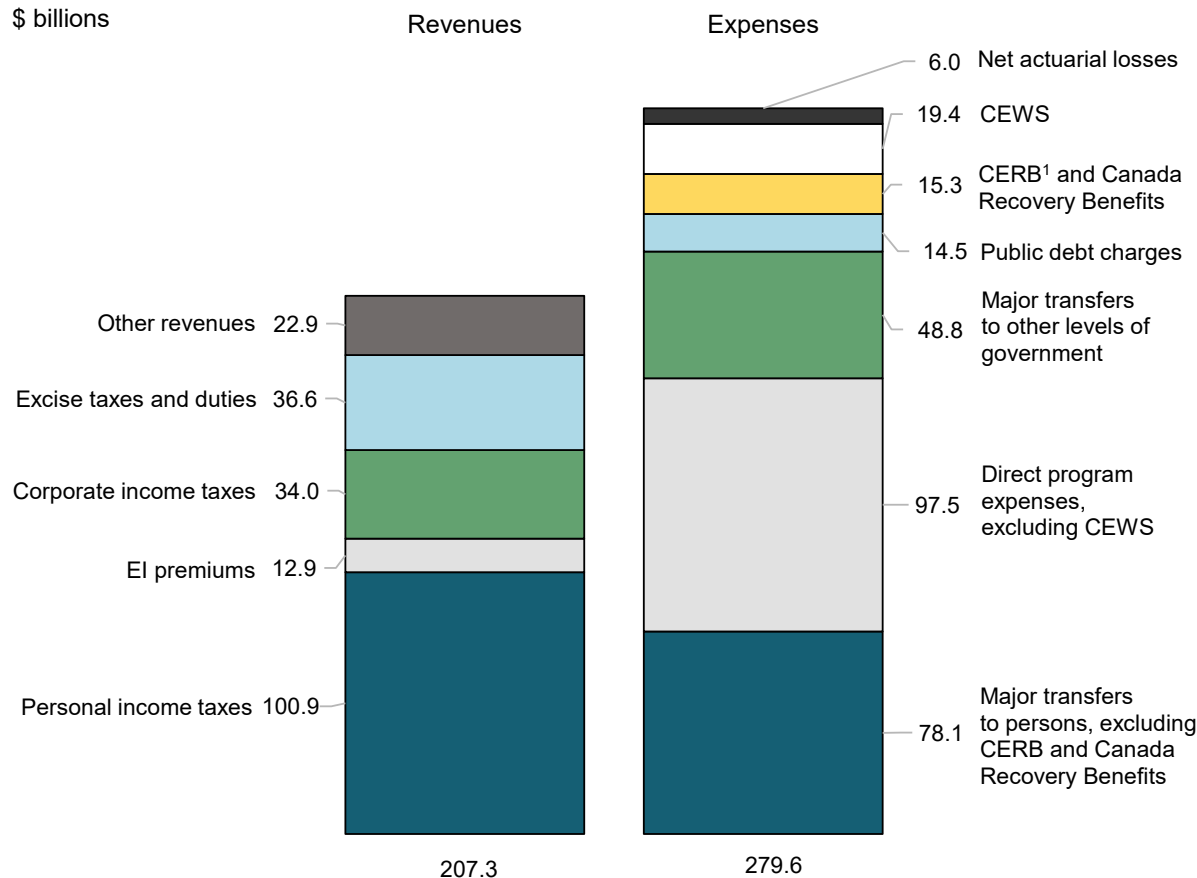
	October			April to October		
	2020	2021	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	32,192	26,271	-18.4	296,152	201,858	-31.8
Other expenses						
Personnel, excluding net actuarial losses and gains	4,534	4,574	0.9	31,205	33,649	7.8
Transportation and communications	172	195	13.4	977	1,227	25.6
Information	23	38	65.2	189	259	37.0
Professional and special services	1,070	1,272	18.9	5,682	7,282	28.2
Rentals	276	352	27.5	1,931	2,199	13.9
Repair and maintenance	281	249	-11.4	1,455	1,612	10.8
Utilities, materials and supplies	478	336	-29.7	3,088	4,156	34.6
Other subsidies and expenses	203	357	75.9	4,701	3,897	-17.1
Amortization of tangible capital assets	477	407	-14.7	3,146	2,860	-9.1
Net loss on disposal of assets	8	8	0.0	56	55	-1.8
Total other expenses	7,522	7,788	3.5	52,430	57,196	9.1
Total program expenses, excluding net actuarial losses and gains	39,714	34,059	-14.2	348,582	259,054	-25.7
Public debt charges	1,576	2,815	78.6	11,966	14,507	21.2
Total expenses, excluding net actuarial losses and gains	41,290	36,874	-10.7	360,548	273,561	-24.1
Net actuarial losses (gains)	1,283	-1,678	-230.8	8,983	6,020	-33.0
Total expenses	42,573	35,196	-17.3	369,531	279,581	-24.3

Note: Totals may not add due to rounding.

Chart 3

Revenues and expenses (April to October 2021)

\$ billions



Note: Totals may not add due to rounding.

¹ Includes CERB benefits processed through the Employment Insurance Operating Account.

Financial requirement of \$91.8 billion for April to October 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 \$72.3 billion and a requirement of \$19.5 billion from non-budgetary transactions, there was a financial requirement of \$91.8 billion for the April to October 2021 period, compared to a financial requirement of \$257.7 billion for the same period of the previous year.

The decrease in the financial requirement for non-budgetary transactions is due to a number of factors, including year-over-year changes in the balances of taxes receivable and amounts payable related to tax, which affected accounts payable, accrued liabilities and accounts receivable; and, a decrease in loans advanced under the CEBA program in 2021–22, reflected in the financial requirement associated with loans, investments and advances. In addition, the timing of cash settlements for matured treasury bills also contributed a temporary financial requirement reflected in accounts payable, accrued liabilities and accounts receivable in October 2021, reversing the temporary financial source due to this timing issue observed in September 2021.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	October		April to October	
	2020	2021	2020–21	2021–22
Budgetary balance (deficit/surplus)	-18,506	-3,684	-216,616	-72,252
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	16,168	-12,351	-23,975	-3,831
Pensions, other future benefits, and other liabilities	1,155	-708	9,181	6,622
Foreign exchange accounts	-1,395	5,175	-1,070	-6,592
Loans, investments and advances	-2,235	-5,851	-23,267	-15,518
Non-financial assets	-342	-260	-1,931	-226
Total non-budgetary transactions	13,351	-13,995	-41,062	-19,545
Financial source/requirement	-5,155	-17,679	-257,678	-91,797

Note: Totals may not add due to rounding.

Net financing activities up \$93.5 billion

The government financed this financial requirement of \$91.8 billion and increased cash balances by \$1.7 billion by increasing unmatured debt by \$93.5 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds.

Cash balances at the end of October 2021 stood at \$61.1 billion, down \$50.7 billion from their level at the end of October 2020. The decrease in cash largely reflects elevated balances held in the previous year 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

	October		April to October	
	2020	2021	2020-21	2021-22
Financial source/requirement	-5,155	-17,679	-257,678	-91,797
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	54,906	19,658	192,159	113,614
Treasury bills	-26,800	2,000	125,433	-23,000
Retail debt	-4	9	-29	-6
Total Canadian currency borrowings	28,102	21,667	317,563	90,608
Foreign currency borrowings	281	-2,187	4,571	5,038
Total market debt transactions	28,383	19,480	322,134	95,646
Cross-currency swap revaluation	-63	-2,493	-4,833	-1,912
Unamortized discounts and premiums on market debt	434	-216	7,650	-190
Obligations related to capital leases and other unmatured debt	-18	-19	-152	-3
Net change in financing activities	28,736	16,752	324,799	93,541
Change in cash balance	23,581	-927	67,121	1,744
Cash balance at end of period			111,801	61,133

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 certain 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 \$70.5 billion over the April to October 2021 period, reflecting the \$72.3-billion budgetary deficit, offset in part by \$1.7 billion in other comprehensive income.

Table 7

Condensed statement of assets and liabilities

\$ millions

	March 31, 2021	October 31, 2021	Change
Liabilities			
Accounts payable and accrued liabilities	207,397	186,799	-20,598
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	875,306	988,920	113,614
Treasury bills	218,775	195,775	-23,000
Retail debt	299	293	-6
Subtotal	1,094,380	1,184,988	90,608
Payable in foreign currencies	15,427	20,465	5,038
Cross-currency swap revaluation	450	(1,462)	-1,912
Unamortized discounts and premiums on market debt	9,690	9,500	-190
Obligations related to capital leases and other unmaturing debt	5,239	5,236	-3
Total unmaturing debt	1,125,186	1,218,727	93,541
Pension and other liabilities			
Public sector pensions	168,761	166,497	-2,264
Other employee and veteran future benefits	144,186	152,864	8,678
Other liabilities	6,711	6,919	208
Total pension and other liabilities	319,658	326,280	6,622
Total interest-bearing debt	1,444,844	1,545,007	100,163
Total liabilities	1,652,241	1,731,806	79,565
Financial assets			
Cash and accounts receivable	224,196	209,173	-15,023
Foreign exchange accounts	92,622	99,214	6,592
Loans, investments, and advances (net of allowances) ¹	179,278	196,523	17,245
Public sector pension assets	6,320	6,320	-
Total financial assets	502,416	511,230	8,814
Net debt	1,149,825	1,220,576	70,751
Non-financial assets	101,079	101,305	226
Federal debt (accumulated deficit)	1,048,746	1,119,271	70,525

Note: Totals may not add due to rounding.

¹ October 31, 2021 amount includes \$1.7 billion in other comprehensive income from enterprise Crown corporations and other government business enterprises for the April to October 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.

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

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December 2021