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Financial Results for January 2022

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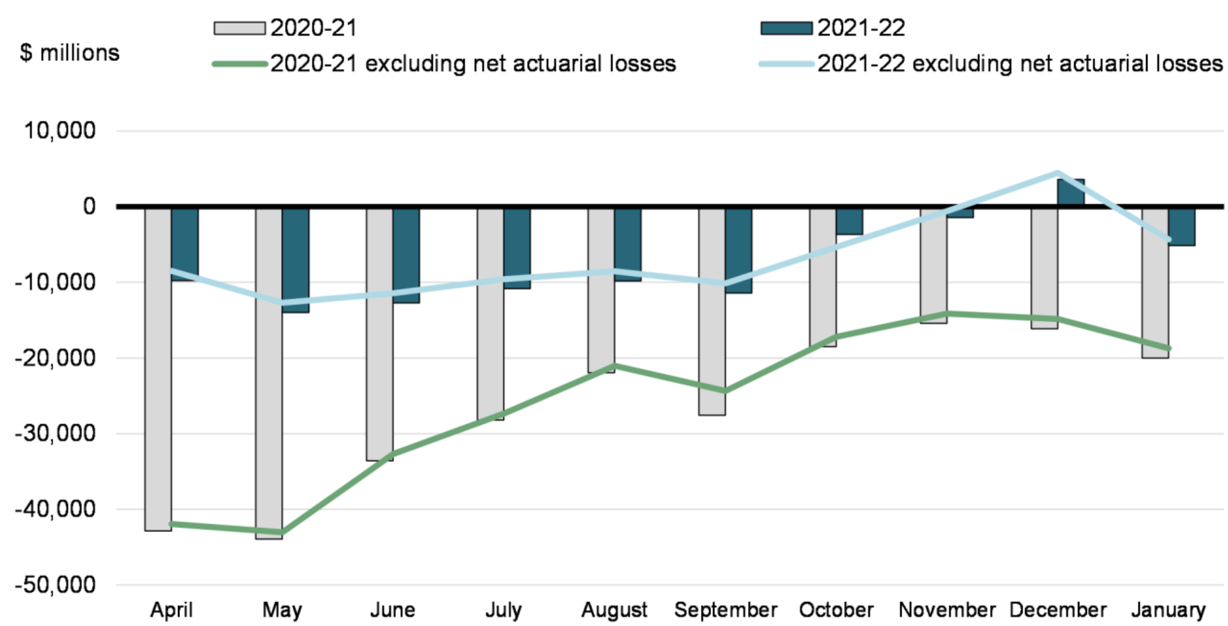
Highlights

January 2022

There was a budgetary deficit of $5.2 billion in January 2022, compared to a deficit of $20.0 billion in January 2021. The budgetary deficit before net actuarial losses was $4.3 billion, compared to a deficit of $18.7 billion in the same period of 2020–21. The budgetary balance before net actuarial losses 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 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



Compared to January 2021:

- Revenues increased by $7.8 billion, or 27.7 per cent, on a year-over-year basis, due to improvements in all components.
- Program expenses excluding net actuarial losses were down $6.9 billion, or 15.2 per cent, largely reflecting decreased transfers under the COVID-19 Economic Response Plan, including the Canada Emergency Wage Subsidy (CEWS) and Canada Recovery Benefits.
- Public debt charges were up $0.2 billion, or 13.1 per cent, reflecting higher interest on the government's pension and other employee future benefit obligations, higher interest on marketable bonds, and higher Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses were down $0.4 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 is due to a year-over-year increase in year-end interest rates used in valuing these obligations.

April 2021 to January 2022

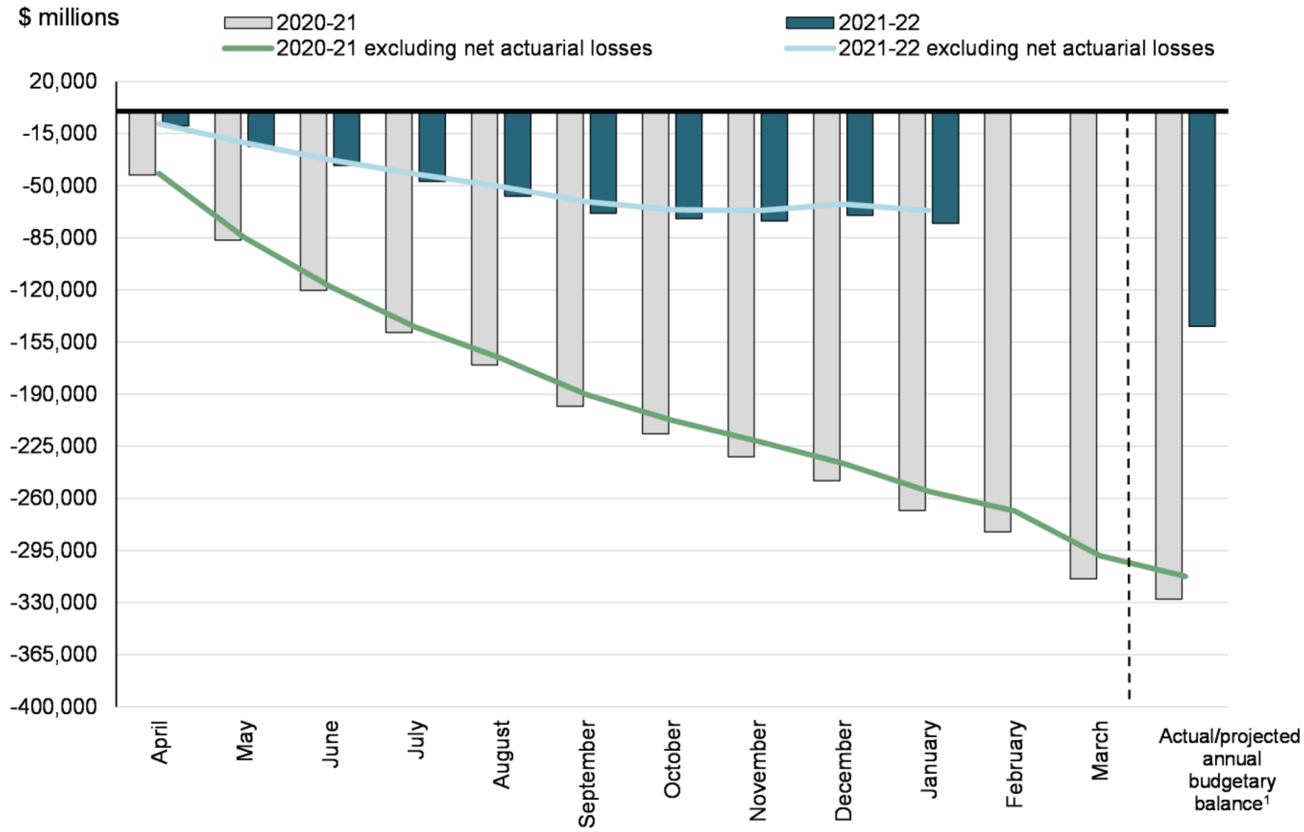
The government posted a budgetary deficit of $75.3 billion for the April to January period of the 2021–22 fiscal year, compared to a deficit of $268.2 billion reported for the same period of 2020–21. The budgetary deficit before net actuarial losses was $66.7 billion, compared to a deficit of $255.3 billion in the April to January period of 2020–21.

Compared to 2020–21:

- Revenues were up $78.4 billion, or 33.3 per cent, primarily reflecting higher tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down $113.7 billion, or 24.0 per cent, largely reflecting lower transfers to individuals, businesses, and other levels of government under the Economic Response Plan.
- Public debt charges increased by $3.5 billion, or 20.4 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 offset by a decrease in interest on treasury bills.
- Net actuarial losses decreased by $4.2 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 the government's latest actuarial valuations. 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

	January		April to January	
	2021	**2022**	**2020–21**	**2021–22**
Budgetary transactions				
Revenues	28,083	35,869	235,772	314,217
Expenses				
Program expenses, excluding net actuarial losses	-45,053	-38,200	-473,951	-360,242
Public debt charges	-1,755	-1,985	-17,169	-20,664
Budgetary balance, excluding net actuarial losses	-18,725	-4,316	-255,348	-66,689
Net actuarial losses	-1,284	-860	-12,833	-8,600
Budgetary balance (deficit/surplus)	-20,009	-5,176	-268,181	-75,289
Non-budgetary transactions	3,902	6,886	-39,580	-13,513
Financial source/requirement	-16,107	1,710	-307,761	-88,802
Net change in financing activities	6,007	6,334	337,198	109,514
Net change in cash balances	-10,100	8,044	29,437	20,712
Cash balance at end of period			74,117	80,100

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 January 2022 totalled $35.9 billion, up $7.8 billion, or 27.7 per cent, from January 2021.

- Tax revenues increased by $5.3 billion, or 21.7 per cent, reflecting broad-based improvement compared to the same period in 2020–21, when COVID-19 restrictions and lockdowns continued to weigh on revenues.
- Employment Insurance (EI) premium revenues were up $0.2 billion, or 6.7 per cent.
- Proceeds from the pollution pricing framework were up $0.1 billion, or 22.5 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 $2.2 billion, or 453.5 per cent, from January 2021. 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 January period of 2021–22 totalled $314.2 billion, up $78.4 billion, or 33.3 per cent, from the same period in 2020–21.

- Tax revenues increased by $52.3 billion, or 24.1 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. In addition, the financial sector contribution has improved significantly. For its part, the federal portion of assessed cannabis excise duties increased by $48 million to $130 million over the April to January period.
- EI premium revenues were up $1.0 billion, or 6.2 per cent, reflecting better labour market conditions.
- Proceeds from the pollution pricing framework were up $1.4 billion, or 44.1 per cent, reflecting higher carbon pollution pricing and consumption in 2021.
- Other revenues were up $23.8 billion, from -$1.1 billion in 2020–21 to $22.6 billion in 2021–22, largely reflecting higher Bank of Canada profits.

Table 2

Revenues

	January		Change	April to January		Change
	2021	2022		2020–21	2021–22	
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	15,186	17,143	12.9	137,075	150,561	9.8
Corporate	3,874	5,499	41.9	35,835	56,753	58.4
Non-resident	1,349	1,581	17.2	7,042	8,586	21.9
Total income tax revenues	20,409	24,223	18.7	179,952	215,900	20.0
Other taxes and duties						
Goods and Services Tax	2,943	4,310	46.4	24,713	39,449	59.6
Energy taxes	418	458	9.6	4,155	4,455	7.2
Customs import duties	327	399	22.0	3,372	4,467	32.5
Other excise taxes and duties	477	524	9.9	4,719	4,902	3.9
Total excise taxes and duties	4,165	5,691	36.6	36,959	53,273	44.1
Total tax revenues	24,574	29,914	21.7	216,911	269,173	24.1
Proceeds from the pollution pricing framework	365	447	22.5	3,108	4,479	44.1
Employment Insurance premiums	2,662	2,840	6.7	16,884	17,924	6.2
Other revenues	482	2,668	453.5	-1,131	22,641	2,101.9
Total revenues	28,083	35,869	27.7	235,772	314,217	33.3

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 in January 2022 were $38.2 billion, down $6.9 billion, or 15.2 per cent, from January 2021.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were down $3.7 billion or 24.5 per cent.
  - Elderly benefits increased by $0.3 billion, or 5.6 per cent, reflecting changes in consumer prices to which benefits are fully indexed, and growth in the number of recipients.
  - EI benefits decreased by $1.9 billion, or 36.4 per cent, reflecting improved labour market conditions.
  - COVID-19 income support for workers, which includes Canada Recovery Benefits, the Canada Worker Lockdown Benefit, and CERB payments to individuals processed outside of the EI Operating Account, decreased $2.1 billion, or 74.4 per cent, largely reflecting the wind-down of the Canada Recovery Benefit.
  - Children's benefits were up $45 million, or 2.2 per cent.
- Major transfers to other levels of government were down $0.2 billion, or 2.8 per cent, largely reflecting transfers under the Safe Return to Class Fund in the previous year. This decrease was partly offset by transfers to provinces and territories in the current year as part of the Canada-wide early learning and child care plan.

- Direct program expenses were down $3.0 billion, or 13.0 per cent. Within direct program expenses:
  - Proceeds from the pollution pricing framework returned were unchanged from January 2021.
  - CEWS payments decreased by $6.2 billion, or 87.5 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
  - Other transfer payments increased by $1.6 billion, or 19.4 per cent, reflecting a number of factors, including increased transfers under the Rapid Housing Initiative, to Indigenous peoples, and in support of students.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $1.5 billion, or 20.7 per cent, largely driven by an increase in public health expenses.

Public debt charges increased $0.2 billion, or 13.1 per cent, largely due to higher interest on the government's pension and other employee future benefit obligations, higher interest on marketable bonds, and higher Consumer Price Index adjustments on Real Return Bonds.

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, decreased $0.4 billion, or 33.0 per cent, in large part due to an increase in prevailing interest rates at the end of 2020–21 used in valuing these obligations.

For the April to January period of 2021–22, program expenses excluding net actuarial losses were $360.2 billion, down $113.7 billion, or 24.0 per cent, from the same period the previous year.

- Major transfers to persons were down $49.8 billion or 28.6 per cent.
  - Elderly benefits increased by $1.9 billion, or 3.8 per cent, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
  - EI benefits decreased by $17.4 billion, or 33.4 per cent, reflecting improved labour market conditions. In addition, EI benefits for the same period of the previous year included $27.5 billion in CERB benefits processed through the EI Operating Account. However, there is no impact on premiums to be collected as the EI Operating Account has since been credited for CERB benefits in the *Public Accounts of Canada 2021*.
  - COVID-19 income support for workers decreased $33.8 billion, or 66.8 per cent, reflecting the wind-down of the CERB in 2020–21 and the transition to the suite of Canada Recovery Benefits.
  - Children's benefits were down $0.5 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 $15.0 billion, or 17.5 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. These decreases were offset in part by new funding under the Canada-wide early learning and child care plan in the current year, 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 down $48.9 billion, or 22.8 per cent. Within direct program expenses:
  - Proceeds from the pollution pricing framework returned increased by $0.9 billion, or 32.5 per cent, largely reflecting an increase in the rate of the Climate Action Incentive for tax year 2020.
  - CEWS payments decreased by $44.5 billion, or 67.1 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
  - Other transfer payments decreased by $12.9 billion, or 18.6 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 2020–21 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 $7.6 billion, or 9.9 per cent, largely reflecting increases in personnel costs and expenses associated with purchases of vaccines.

Public debt charges increased by $3.5 billion, or 20.4 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 $4.2 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

	January			April to January		
	2021	2022	Change	2020–21	2021–22	Change
	($ millions)		(%)	($ millions)		(%)
Major transfers to persons						
Elderly benefits	4,945	5,223	5.6	48,842	50,708	3.8
Employment Insurance benefits	5,101	3,245	-36.4	52,076	34,707	-33.4
COVID-19 income support for workers[1]	2,866	735	-74.4	50,649	16,802	-66.8
Children's benefits	2,037	2,082	2.2	22,631	22,160	-2.1
Total major transfers to persons	14,949	11,285	-24.5	174,198	124,377	-28.6
Major transfers to other levels of government						
Canada Health Transfer	3,489	3,594	3.0	34,891	35,938	3.0
Canada Social Transfer	1,252	1,289	3.0	12,519	12,895	3.0
Equalization	1,714	1,743	1.7	17,144	17,426	1.6
Territorial Formula Financing	284	298	4.9	3,612	3,784	4.8
Canada-wide early learning and child care	-	463	n/a	-	1,823	n/a
Canada Community-Building Fund	-	-	n/a	2,170	2,320	6.9
Home care and mental health	-	14	n/a	1,249	1,591	27.4
Other fiscal arrangements[2]	350	-508	-245.1	13,977	-5,202	-137.2
Total major transfers to other levels of government	7,089	6,893	-2.8	85,562	70,575	-17.5
Direct program expenses						
Proceeds from the pollution pricing framework returned	22	22	0.0	2,813	3,726	32.5
Canada Emergency Wage Subsidy	7,062	884	-87.5	66,377	21,868	-67.1
Other transfer payments	8,435	10,071	19.4	69,027	56,163	-18.6
Operating expenses	7,496	9,045	20.7	75,974	83,533	9.9
Total direct program expenses	23,015	20,022	-13.0	214,191	165,290	-22.8
Total program expenses, excluding net actuarial losses	45,053	38,200	-15.2	473,951	360,242	-24.0
Public debt charges	1,755	1,985	13.1	17,169	20,664	20.4
Total expenses, excluding net actuarial losses	46,808	40,185	-14.1	491,120	380,906	-22.4
Net actuarial losses	1,284	860	-33.0	12,833	8,600	-33.0
Total expenses	48,092	41,045	-14.7	503,953	389,506	-22.7

Note: Totals may not add due to rounding.

[1] COVID-19 income support for workers includes the Canada Emergency Response Benefit, the Canada Recovery Benefit, the Canada Recovery Caregiving Benefit, the Canada Recovery Sickness Benefit, and the Canada Worker Lockdown Benefit.

[2] 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.

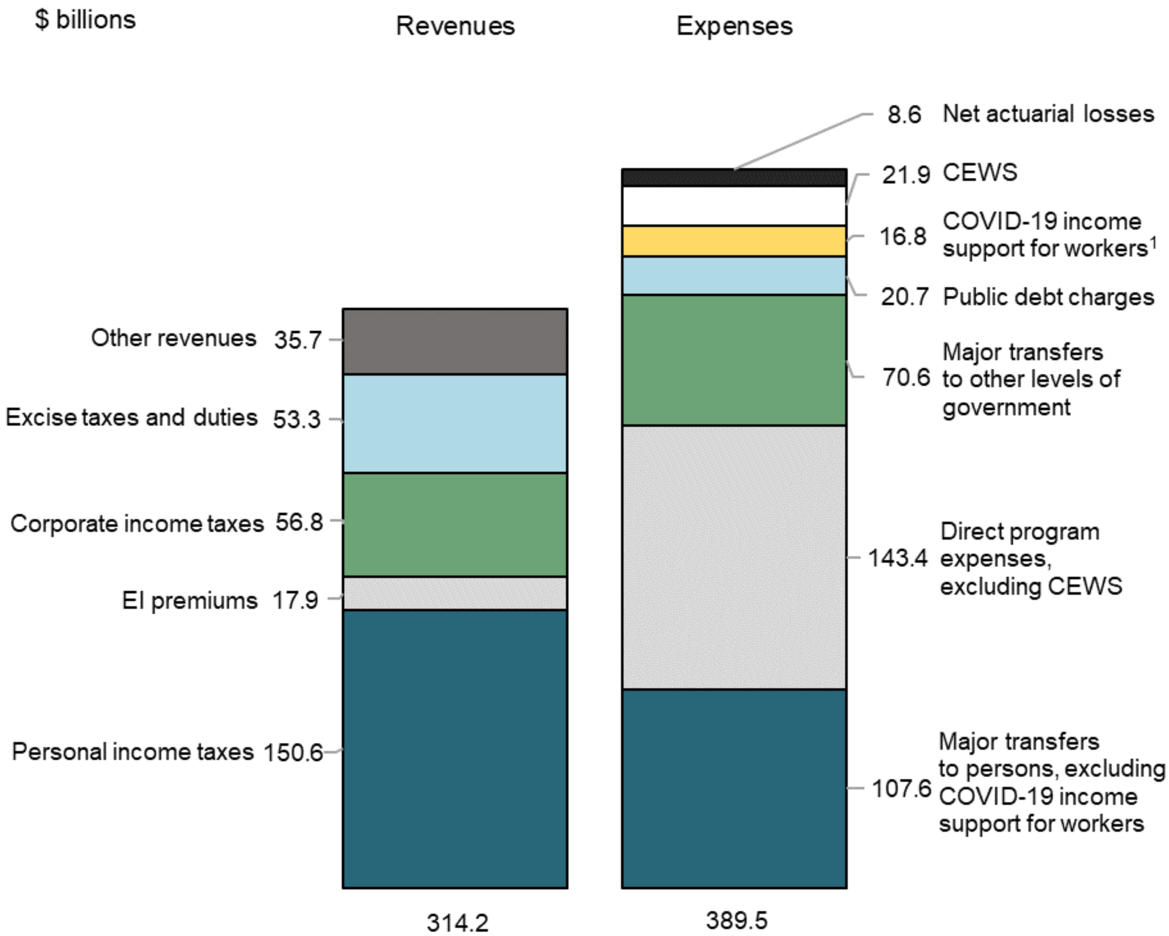
Table 4

Total expenses by object of expense

	January			April to January		
	2021	**2022**	**Change**	**2020–21**	**2021–22**	**Change**
	($ millions)		**(%)**	**($ millions)**		**(%)**
Transfer payments	37,557	29,155	-22.4	397,977	276,709	-30.5
Other expenses						
Personnel, excluding net actuarial losses	4,576	4,744	3.7	45,157	48,335	7.0
Transportation and communications	127	223	75.6	1,408	1,825	29.6
Information	51	57	11.8	307	409	33.2
Professional and special services	1,034	1,225	18.5	9,037	11,481	27.0
Rentals	358	378	5.6	2,799	3,200	14.3
Repair and maintenance	257	252	-1.9	2,326	2,536	9.0
Utilities, materials and supplies	534	1,432	168.2	4,843	7,109	46.8
Other subsidies and expenses	111	316	184.7	5,530	4,472	-19.1
Amortization of tangible capital assets	438	410	-6.4	4,475	4,081	-8.8
Net loss on disposal of assets	10	8	-20.0	92	85	-7.6
Total other expenses	7,496	9,045	20.7	75,974	83,533	9.9
Total program expenses, excluding net actuarial losses	45,053	38,200	-15.2	473,951	360,242	-24.0
Public debt charges	1,755	1,985	13.1	17,169	20,664	20.4
Total expenses, excluding net actuarial losses	46,808	40,185	-14.1	491,120	380,906	-22.4
Net actuarial losses	1,284	860	-33.0	12,833	8,600	-33.0
Total expenses	48,092	41,045	-14.7	503,953	389,506	-22.7

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April 2021 to January 2022)



Note: Totals may not add due to rounding.

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

Financial requirement of $88.8 billion for April 2021 to January 2022

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 $75.3 billion and a requirement of $13.5 billion from non-budgetary transactions, there was a financial requirement of $88.8 billion for the April 2021 to January 2022 period, compared to a financial requirement of $307.8 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. These decreases were partly offset by a year-over-year increase in the balance of foreign exchange accounts.

Table 5
The budgetary balance and financial source/requirement
$ millions

	January		April to January	
	2021	**2022**	**2020–21**	**2021–22**
Budgetary balance (deficit/surplus)	-20,009	-5,176	-268,181	-75,289
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	4,568	5,968	-16,168	9,730
Pensions, other future benefits, and other liabilities	1,143	829	13,392	8,980
Foreign exchange accounts	751	975	5,140	-11,201
Loans, investments and advances	-2,036	-472	-37,639	-19,489
Non-financial assets	-524	-414	-4,305	-1,533
Total non-budgetary transactions	3,902	6,886	-39,580	-13,513
Financial source/requirement	-16,107	1,710	-307,761	-88,802

Note: Totals may not add due to rounding.

Net financing activities up $109.5 billion

The government financed this financial requirement of $88.8 billion and increased cash balances by $20.7 billion by increasing unmatured debt by $109.5 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds.

Cash balances at the end of January 2022 stood at $80.1 billion, up $6.0 billion from their level at the end of January 2021.

Table 6
Financial source/requirement and net financing activities
$ millions

	January		April to January	
	2021	2022	2020–21	2021–22
Financial source/requirement	-16,107	1,710	-307,761	-88,802
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	17,105	17,641	249,340	145,336
Treasury bills	-11,400	-7,200	85,633	-35,400
Retail debt	-3	0	-192	-299
Total Canadian currency borrowings	5,702	10,441	334,781	109,637
Foreign currency borrowings	55	-3,912	1,226	1,467
Total market debt transactions	5,757	6,529	336,007	111,104
Cross-currency swap revaluation	106	208	-7,196	-470
Unamortized discounts and premiums on market debt	153	-427	8,591	-1,129
Obligations related to capital leases and other unmatured debt	-9	24	-204	9
Net change in financing activities	6,007	6,334	337,198	109,514
Change in cash balance	-10,100	8,044	29,437	20,712
Cash balance at end of period			74,117	80,100

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 $73.6 billion over the April 2021 to January 2022 period, reflecting the $75.3-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	January 31, 2022	Change
Liabilities			
Accounts payable and accrued liabilities	207,397	213,767	6,370
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	875,306	1,020,642	145,336
Treasury bills	218,775	183,375	-35,400
Retail debt	299	-	-299
Subtotal	1,094,380	1,204,017	109,637
Payable in foreign currencies	15,427	16,894	1,467
Cross-currency swap revaluation	450	(20)	-470
Unamortized discounts and premiums on market debt	9,690	8,561	-1,129
Obligations related to capital leases and other unmatured debt	5,239	5,248	9
Total unmatured debt	1,125,186	1,234,700	109,514
Pension and other liabilities			
Public sector pensions	168,761	165,549	-3,212
Other employee and veteran future benefits	144,186	156,583	12,397
Other liabilities	6,711	6,506	-205
Total pension and other liabilities	319,658	328,638	8,980
Total interest-bearing debt	1,444,844	1,563,338	118,494
Total liabilities	1,652,241	1,777,105	124,864
Financial assets			
Cash and accounts receivable	224,196	241,548	17,352
Foreign exchange accounts	92,622	103,823	11,201
Loans, investments, and advances (net of allowances)[1]	179,278	200,486	21,208
Public sector pension assets	6,320	6,320	-
Total financial assets	502,416	552,177	49,761
Net debt	1,149,825	1,224,928	75,103
Non-financial assets	101,079	102,612	1,533
Federal debt (accumulated deficit)	1,048,746	1,122,316	73,570

Note: Totals may not add due to rounding.

[1] January 31, 2022 amount includes $1.7 billion in other comprehensive income from enterprise Crown corporations and other government business enterprises for the April 2021 to January 2022 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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