



Department of Finance  
Canada

Ministère des Finances  
Canada

# THE FISCAL MONITOR

A publication of the Department of Finance

Financial results for March 2021

Canada

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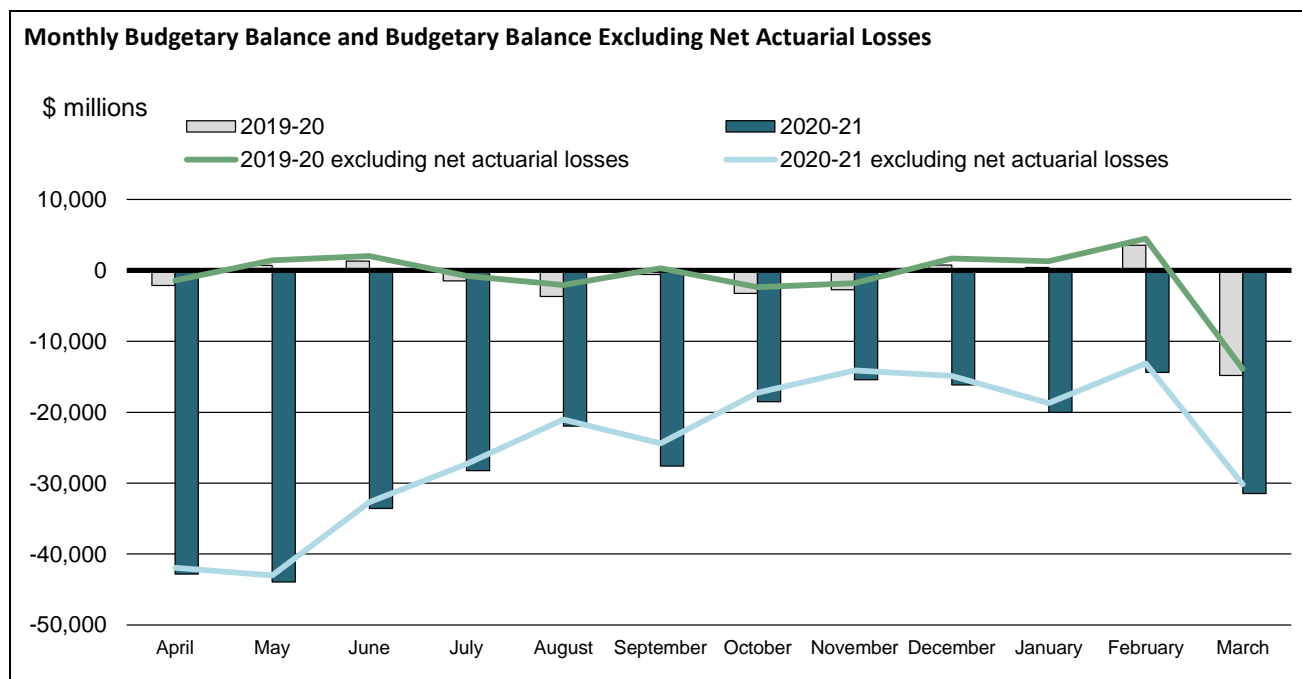
# Highlights

Note: The March 2021 results presented in this report include some year-end accrual adjustments that were not included in the March 2020 results presented for comparative purposes due to delayed financial reporting timelines for government departments and agencies in the prior year in connection with COVID-19. The March 2021 results are not the final results for 2020–21. The final results for the fiscal year will include additional end-of-year adjustments to be 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 over \$7 billion in measures announced in Budget 2021 that are pending receipt of Royal Assent of enabling legislation.

## March 2021

There was a budgetary deficit of \$31.4 billion in March 2021, compared to a deficit of \$14.8 billion in March 2020. The budgetary deficit before net actuarial losses was \$30.2 billion, compared to a deficit of \$13.9 billion in March 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 March 2020:

- Revenues increased by \$8.7 billion, or 33.8 per cent, driven by increases in tax revenues and other revenues.
- Program expenses excluding net actuarial losses were up \$25.6 billion, or 69.0 per cent, reflecting a number of factors, including the accrual of year-end adjustments in March 2021, which did not occur in March 2020; increased transfers to individuals and businesses as part of the government's COVID-19 response measures; higher personnel costs; and, purchases of medical and personal protective equipment and vaccines in response to the COVID-19 crisis.
- Public debt charges decreased by \$0.6 billion, or 24.4 per cent, largely reflecting expenses from bond buyback operations held in March 2020, which did not recur in March 2021, as well as lower interest on the government's pension and benefit obligations, and lower interest on treasury bills.
- Net actuarial losses were up \$0.4 billion, or 43.0 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 March 2021

For the April to March period of the 2020–21 fiscal year, the government posted a budgetary deficit of \$314.0 billion, compared to a deficit of \$21.8 billion reported for the same period of 2019–20. The budgetary deficit before net actuarial losses was \$298.6 billion, compared to a deficit of \$11.0 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 \$34.8 billion, or 10.4 per cent, reflecting a broad-based reduction in other revenues and excise tax and duties revenues.
- Program expenses excluding net actuarial losses were up \$256.9 billion, or 80.1 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 repayment incentive for the Canada Emergency Business Account (CEBA) loans.
- Public debt charges decreased by \$4.1 billion, or 16.7 per cent, primarily reflecting lower interest on pension and benefit obligations, lower interest on Government of Canada treasury bills, and lower Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses were up \$4.6 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.

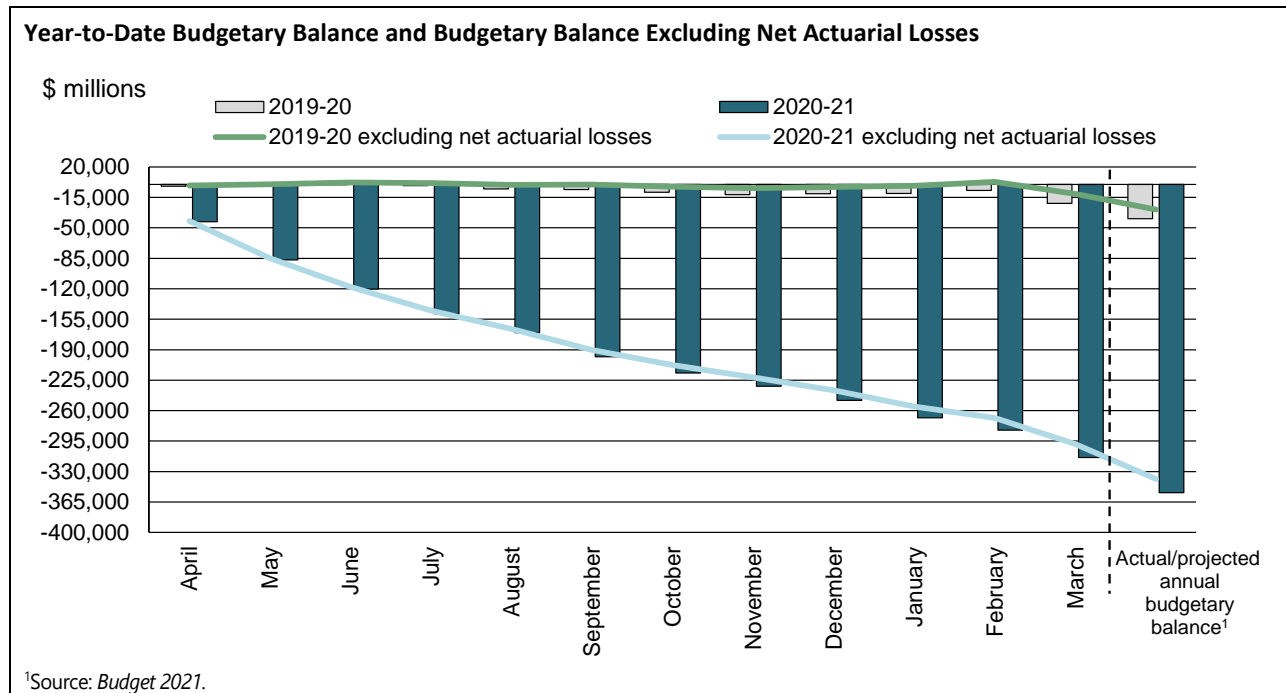


Table 1

**Summary statement of transactions**

\$ millions

	March		April to March	
	2020	2021	2019-20	2020-21
<b>Budgetary transactions</b>				
Revenues	25,790	34,517	334,260	299,466
Expenses				
Program expenses, excluding net actuarial losses <sup>1</sup>	-37,123	-62,738	-320,682	-577,576
Public debt charges	-2,564	-1,939	-24,586	-20,490
Budgetary balance, excluding net actuarial losses <sup>1</sup>	-13,897	-30,160	-11,008	-298,600
Net actuarial losses <sup>1</sup>	-897	-1,283	-10,764	-15,399
Budgetary balance (deficit/surplus)	-14,794	-31,443	-21,772	-313,999
<b>Non-budgetary transactions</b>	-7,330	25,167	-20,516	-13,146
<b>Financial source/requirement</b>	-22,124	-6,276	-42,288	-327,145
<b>Net change in financing activities</b>	19,811	-2,880	46,936	341,562
<b>Net change in cash balances</b>	-2,313	-9,156	4,648	14,417
<b>Cash balance at end of period</b>			44,651	59,097

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

<sup>1</sup> 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 March 2021 totalled \$34.5 billion, up \$8.7 billion, or 33.8 per cent, from March 2020.

- Tax revenues increased by \$7.0 billion, or 34.5 per cent, driven by stronger results relative to last March when COVID-19 lockdowns, and federal government measures such as tax deferrals, had weighed on revenues.
- Employment Insurance (EI) premium revenues were down \$0.2 billion, or 6.1 per cent.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were up \$0.4 billion, or 129.5 per cent, reflecting higher carbon pollution pricing in 2021.
- Other revenues, consisting of enterprise Crown corporations' net profits, sales of goods and services, returns on investments and net foreign exchange revenues, were up \$1.5 billion, or 64.8 per cent, largely reflecting higher enterprise Crown corporations' net profits.

For the April to March period of 2020–21, revenues were \$299.5 billion, down \$34.8 billion, or 10.4 per cent, from the same period the previous year.

- Tax revenues decreased by \$10.8 billion, or 3.8 per cent, driven largely by declines in excise taxes and duties 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 \$61 million to \$103 million over the April to March period.
- EI premium revenues were down \$0.4 billion, or 1.8 per cent.
- Assessed fuel charge proceeds were up \$2.2 billion, or 110.6 per cent, driven by the addition of Alberta to the fuel charge system and a higher carbon pollution price in 2020–21.
- Other revenues were down \$25.9 billion, or 88.0 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**

	March		Change	April to March		Change
	2020	2021		2019–20	2020–21	
	(\$ millions)		(%)	(\$ millions)		(%)
<b>Tax revenues</b>						
Income taxes						
Personal	12,259	13,655	11.4	164,410	164,164	-0.1
Corporate	4,032	8,211	103.6	50,566	51,415	1.7
Non-resident	141	900	538.3	9,328	8,695	-6.8
Total income tax revenues	16,432	22,766	38.5	224,304	224,274	0.0
Other taxes and duties						
Goods and Services Tax	2,565	3,221	25.6	39,052	30,534	-21.8
Energy taxes	462	360	-22.1	5,763	4,934	-14.4
Customs import duties	377	526	39.5	4,974	4,242	-14.7
Other excise taxes and duties	336	261	-22.3	6,070	5,414	-10.8
Total excise taxes and duties	3,740	4,368	16.8	55,859	45,124	-19.2
Total tax revenues	20,172	27,134	34.5	280,163	269,398	-3.8
<b>Fuel charge proceeds</b>	319	732	129.5	2,021	4,256	110.6
<b>Employment Insurance premiums</b>	2,938	2,759	-6.1	22,679	22,273	-1.8
<b>Other revenues</b>	2,361	3,892	64.8	29,397	3,539	-88.0
<b>Total revenues</b>	25,790	34,517	33.8	334,260	299,466	-10.4

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 repayment incentive under the CEBA, the Canada Recovery Benefits, the Canada Emergency Student Benefit (CESB), and the Canada Emergency Rent Subsidy (CERS) program. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses in March 2021 were \$62.7 billion, up \$25.6 billion, or 69.0 per cent, from March 2020.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were up \$6.0 billion or 64.6 per cent.
  - Elderly benefits increased by \$0.2 billion, or 3.2 per cent, reflecting growth in the number of recipients.
  - EI benefits increased by \$3.1 billion, or 136.1 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 \$2.7 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 down \$0.1 billion, or 2.7 per cent.

- Major transfers to other levels of government were up \$0.8 billion, or 12.0 per cent, primarily reflecting transfers to provinces and territories under the Safe Restart Agreement, the COVID-19 Essential Workers Support Fund, and legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories. These increases were offset in part by the \$0.5-billion transfer to provinces and territories in March 2020 to support public health preparedness, critical health care system needs and mitigation efforts associated with COVID-19.
- Direct program expenses were up \$18.9 billion, or 88.6 per cent. Within direct program expenses:
  - Fuel charge proceeds returned increased by \$0.4 billion, or 40.0 per cent, largely reflecting an increase in the rate of the Climate Action Incentive for tax year 2020.
  - The CEWS reflects \$3.7 billion in payments to eligible employers under Canada's COVID-19 Economic Response Plan.
  - Other transfer payments increased by \$9.8 billion, or 116.1 per cent, reflecting COVID-19 response measures, including international assistance programs, the CEBA repayment incentive, and the CERS program; increased transfers to Indigenous peoples; and, year-over-year timing differences.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$4.9 billion, or 41.6 per cent, in large part due to higher personnel expenses, and purchases of medical and personal protective equipment and vaccines in response to the COVID-19 crisis.

Public debt charges decreased by \$0.6 billion, or 24.4 per cent, largely reflecting expenses from bond buyback operations held in March 2020, which did not recur in March 2021, as well as lower interest on the government's pension and benefit obligations, and lower interest on treasury bills.

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 43.0 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 March period of 2020–21, program expenses excluding net actuarial losses were \$577.6 billion, up \$256.9 billion, or 80.1 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 \$102.8 billion or 102.0 per cent.
  - Elderly benefits increased by \$2.5 billion, or 4.5 per cent, largely reflecting growth in the number of recipients.
  - EI benefits increased by \$41.7 billion, or 206.0 per cent, due to higher unemployment resulting from the crisis and temporary changes to the EI program to improve access. EI benefits also 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 \$56.2 billion.
  - Children's benefits were up \$2.4 billion, or 10.0 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 \$20.7 billion, or 26.2 per cent, largely reflecting transfers under the Safe Restart Agreement; the COVID-19 Essential Workers Support Fund; legislated growth in 2020–21 in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories; the Safe Return to Class Fund; and funding to clean up orphan and inactive oil and gas wells. These increases were offset in part by a \$1.9-billion expense recorded in April 2019 under the Hibernia Dividend Backed Annuity Agreement between Canada and Newfoundland and Labrador, which did not recur in 2020–21.
- Direct program expenses were up \$133.4 billion, or 94.5 per cent. Within direct program expenses:
  - Fuel charge proceeds returned increased by \$1.9 billion, or 73.5 per cent, largely reflecting the administration of Climate Action Incentive payments at an increased rate for the 2020 tax year.
  - The CEWS accounted for \$75.0 billion in payments to eligible employers.
  - Other transfer payments increased by \$44.5 billion, or 91.8 per cent, largely reflecting a number of COVID-19 response measures, including the repayment incentive under the CEBA, transfers to students under the CESB, payments under the CERS program, and support for seniors to cover increased costs as a result of COVID-19.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$12.0 billion, or 13.3 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 \$4.1 billion, or 16.7 per cent, primarily reflecting lower interest on pension and benefit obligations, lower interest on Government of Canada treasury bills, and lower Consumer Price Index adjustments on Real Return Bonds.

Net actuarial losses increased by \$4.6 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**

	March			April to March		
	2020	2021	Change	2019–20	2020–21	Change
	(\$ millions)		(%)	(\$ millions)		(%)
<b>Major transfers to persons</b>						
Elderly benefits	4,813	4,965	3.2	56,185	58,732	4.5
Employment Insurance benefits <sup>1</sup>	2,309	5,452	136.1	20,218	61,869	206.0
Canada Emergency Response Benefit and Canada Recovery Benefits <sup>1</sup>		2,729	n/a		56,166	n/a
Children's benefits	2,113	2,056	-2.7	24,371	26,796	10.0
Total major transfers to persons	9,235	15,202	64.6	100,774	203,563	102.0
<b>Major transfers to other levels of government</b>						
Canada Health Transfer	3,864	3,500	-9.4	40,872	41,880	2.5
Canada Social Transfer	1,215	1,252	3.0	14,586	15,023	3.0
Equalization	1,655	1,714	3.6	19,850	20,573	3.6
Territorial Formula Financing	268	284	6.0	3,948	4,180	5.9
Gas Tax Fund	8	0	-100.0	2,170	2,170	0.0
Home care and mental health	20	1	-95.0	1,100	1,250	13.6
Other fiscal arrangements <sup>2</sup>	-436	634	245.4	-3,791	14,321	477.8
Total major transfers to other levels of government	6,594	7,385	12.0	78,735	99,397	26.2
<b>Direct program expenses<sup>3</sup></b>						
Fuel charge proceeds returned	1,071	1,499	40.0	2,608	4,526	73.5
Canada Emergency Wage Subsidy		3,749	n/a		74,988	n/a
Other transfer payments	8,415	18,184	116.1	48,522	93,061	91.8
Operating expenses	11,808	16,719	41.6	90,043	102,041	13.3
Total direct program expenses	21,294	40,151	88.6	141,173	274,616	94.5
<b>Total program expenses, excluding net actuarial losses<sup>3</sup></b>	37,123	62,738	69.0	320,682	577,576	80.1
<b>Public debt charges</b>	2,564	1,939	-24.4	24,586	20,490	-16.7
<b>Total expenses, excluding net actuarial losses<sup>3</sup></b>	39,687	64,677	63.0	345,268	598,066	73.2
Net actuarial losses <sup>3</sup>	897	1,283	43.0	10,764	15,399	43.1
<b>Total expenses</b>	40,584	65,960	62.5	356,032	613,465	72.3

Note: Totals may not add due to rounding.

<sup>1</sup> 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.

<sup>2</sup> 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 COVID-19 Essential Workers Support Fund; transfers under the Safe Restart Agreement; and, other items.

<sup>3</sup> 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.

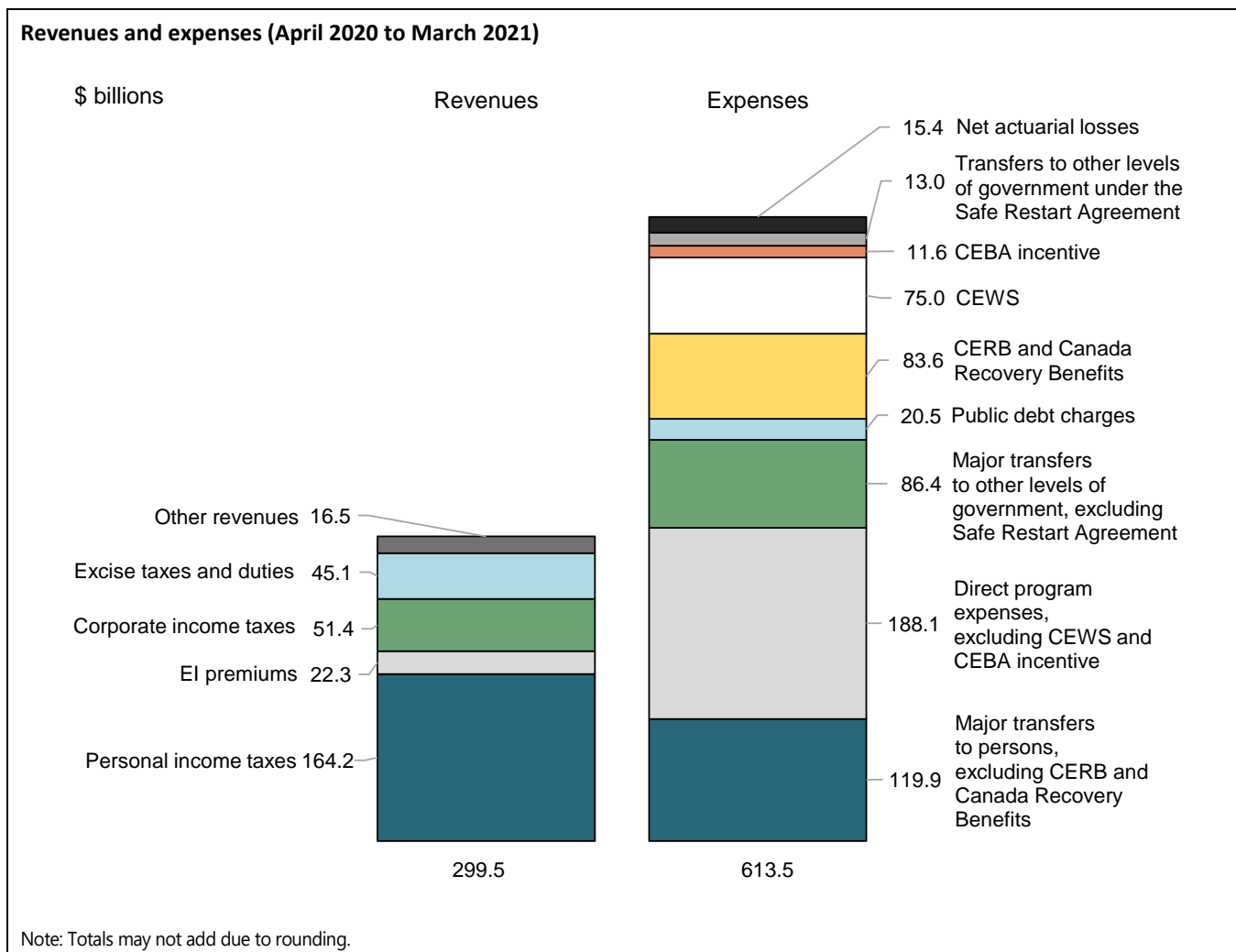
Table 4

**Total expenses by object of expense**

	March			April to March		
	2020	2021	Change	2019–20	2020–21	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	25,315	46,019	81.8	230,639	475,535	106.2
Other expenses						
Personnel, excluding net actuarial losses <sup>1</sup>	5,943	7,904	33.0	51,889	57,848	11.5
Transportation and communications	384	501	30.5	2,803	2,086	-25.6
Information	103	176	70.9	384	539	40.4
Professional and special services	2,399	4,097	70.8	12,350	14,169	14.7
Rentals	424	587	38.4	3,298	3,611	9.5
Repair and maintenance	815	928	13.9	3,608	3,531	-2.1
Utilities, materials and supplies	658	1,846	180.5	3,006	8,341	177.5
Other subsidies and expenses	593	542	-8.6	7,359	6,741	-8.4
Amortization of tangible capital assets	435	112	-74.3	5,166	5,050	-2.2
Net loss on disposal of assets	54	26	-51.9	180	125	-30.6
Total other expenses	11,808	16,719	41.6	90,043	102,041	13.3
<b>Total program expenses, excluding net actuarial losses<sup>1</sup></b>	<b>37,123</b>	<b>62,738</b>	<b>69.0</b>	<b>320,682</b>	<b>577,576</b>	<b>80.1</b>
<b>Public debt charges</b>	<b>2,564</b>	<b>1,939</b>	<b>-24.4</b>	<b>24,586</b>	<b>20,490</b>	<b>-16.7</b>
<b>Total expenses, excluding net actuarial losses<sup>1</sup></b>	<b>39,687</b>	<b>64,677</b>	<b>63.0</b>	<b>345,268</b>	<b>598,066</b>	<b>73.2</b>
Net actuarial losses <sup>1</sup>	897	1,283	43.0	10,764	15,399	43.1
<b>Total expenses</b>	<b>40,584</b>	<b>65,960</b>	<b>62.5</b>	<b>356,032</b>	<b>613,465</b>	<b>72.3</b>

Note: Totals may not add due to rounding.

<sup>1</sup> 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.



## Financial requirement of \$327.1 billion for April 2020 to March 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 \$314.0 billion and a requirement of \$13.1 billion from non-budgetary transactions, there was a financial requirement of \$327.1 billion for the April 2020 to March 2021 period, compared to a financial requirement of \$42.3 billion for the same period of the previous year.

Table 5

**The budgetary balance and financial source/requirement**

\$ millions

	March		April to March	
	2020	2021	2019–20	2020–21
<b>Budgetary balance (deficit/surplus)</b>	-14,794	-31,443	-21,772	-313,999
<b>Non-budgetary transactions</b>				
Accounts payable, accrued liabilities and accounts receivable	4,701	16,545	-3,086	-3,434
Pensions, other future benefits, and other liabilities	685	1,978	10,699	16,803
Foreign exchange accounts	-2,230	4,359	-5,214	12,280
Loans, investments and advances	-8,830	4,801	-19,330	-32,772
Non-financial assets	-1,656	-2,516	-3,585	-6,023
Total non-budgetary transactions	-7,330	25,167	-20,516	-13,146
<b>Financial source/requirement</b>	-22,124	-6,276	-42,288	-327,145

Note: Totals may not add due to rounding.

## Net financing activities up \$341.6 billion

The government financed this financial requirement of \$327.1 billion and increased cash balances by \$14.4 billion by increasing unmatured debt by \$341.6 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of March 2021 stood at \$59.1 billion, up \$14.4 billion from their level at the end of March 2020. The 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

	<b>March</b>		<b>April to March</b>	
	<b>2020</b>	<b>2021</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Financial source/requirement</b>	-22,124	-6,276	-42,288	-327,145
<b>Net increase (+)/decrease (-) in financing activities</b>				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-8,195	13,380	27,372	278,482
Treasury bills	24,767	-11,800	17,567	66,933
Retail debt	-18	-4	-740	-198
Total Canadian currency borrowings	16,554	1,576	44,199	345,217
Foreign currency borrowings	-403	-1,224	-70	-514
Total market debt transactions	16,151	352	44,129	344,703
Cross-currency swap revaluation	3,655	-2,102	3,319	-10,142
Unamortized discounts and premiums on market debt	-34	-1,149	324	7,204
Obligations related to capital leases and other unmatured debt	39	19	-836	-203
<b>Net change in financing activities</b>	19,811	-2,880	46,936	341,562
<b>Change in cash balance</b>	-2,313	-9,156	4,648	14,417
<b>Cash balance at end of period</b>			44,651	59,097

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 \$313.9 billion over the April 2020 to March 2021 period, reflecting the \$314.0-billion budgetary deficit and \$0.1 billion in other comprehensive income.

Table 7

**Condensed statement of assets and liabilities**

\$ millions

	March 31, 2020	March 31, 2021	Change
<b>Liabilities</b>			
Accounts payable and accrued liabilities	163,833	169,171	5,338
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	596,864	875,346	278,482
Treasury bills	151,867	218,800	66,933
Retail debt	497	299	-198
Subtotal	749,228	1,094,445	345,217
Payable in foreign currencies	15,941	15,427	-514
Cross-currency swap revaluation	10,592	450	-10,142
Unamortized discounts and premiums on market debt	2,487	9,691	7,204
Obligations related to capital leases and other unmaturing debt	5,503	5,300	-203
Total unmaturing debt	783,751	1,125,313	341,562
Pension and other liabilities			
Public sector pensions	168,596	168,006	-590
Other employee and veteran future benefits	126,378	143,405	17,027
Other liabilities	6,051	6,417	366
Total pension and other liabilities	301,025	317,828	16,803
Total interest-bearing debt	1,084,776	1,443,141	358,365
<b>Total liabilities</b>	1,248,609	1,612,312	363,703
<b>Financial assets</b>			
Cash and accounts receivable	173,715	196,904	23,189
Foreign exchange accounts	104,903	92,623	-12,280
Loans, investments, and advances (net of allowances) <sup>1</sup>	152,502	185,367	32,865
Public sector pension assets	4,598	4,598	-
Total financial assets	435,718	479,492	43,774
<b>Net debt</b>	812,891	1,132,820	319,929
<b>Non-financial assets</b>	91,531	97,554	6,023
<b>Federal debt (accumulated deficit)</b>	721,360	1,035,266	313,906

Note: Totals may not add due to rounding.

<sup>1</sup> March 31, 2021 amount includes \$0.1 billion in other comprehensive income from enterprise Crown corporations and other government business enterprises for the April 2020 to March 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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