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Ministère des Finances
Canada



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Financial Results for August 2021

Canada 

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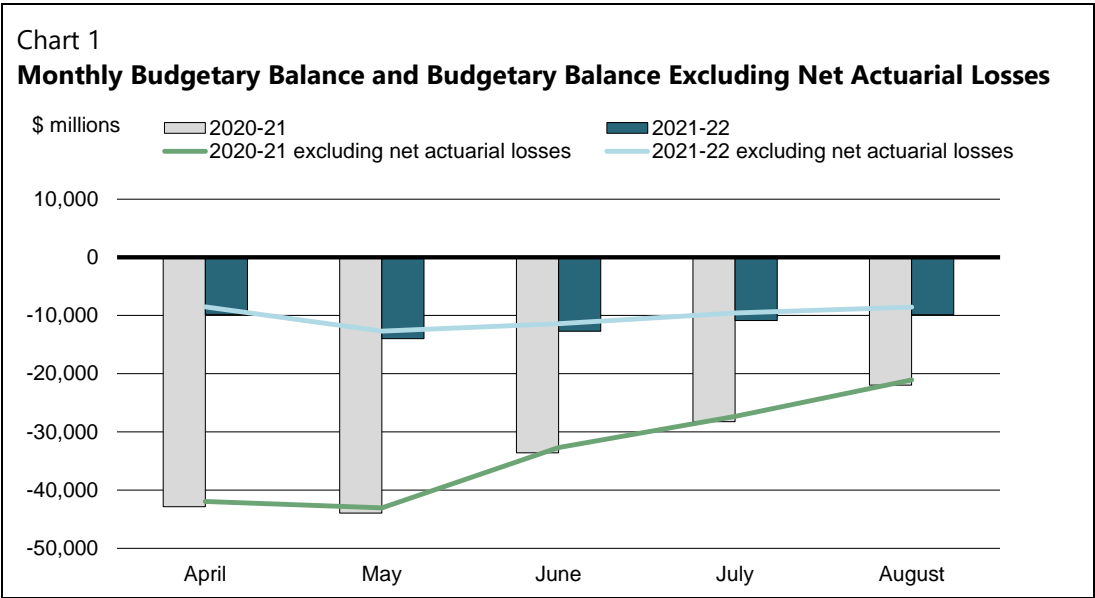
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Highlights

August 2021

There was a budgetary deficit of \$9.8 billion in August 2021, compared to a deficit of \$21.9 billion in August 2020. The budgetary deficit before net actuarial losses was \$8.5 billion, compared to a deficit of \$21.0 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.



Compared to August 2020:

- Revenues increased by \$7.2 billion, or 30.9 per cent, on a year-over-year basis, largely reflecting increases in tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down \$4.9 billion, or 11.7 per cent, largely reflecting decreases in transfers to persons and direct program expenses.
- Public debt charges decreased \$0.4 billion, or 18.5 per cent, largely reflecting lower Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses were up \$0.4 billion, or 43.0 per cent, reflecting changes in the actuarial valuations for pensions and benefits prepared for the *Public Accounts of Canada 2020*, which 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 use of disability and other future benefits provided to veterans.

April to August 2021

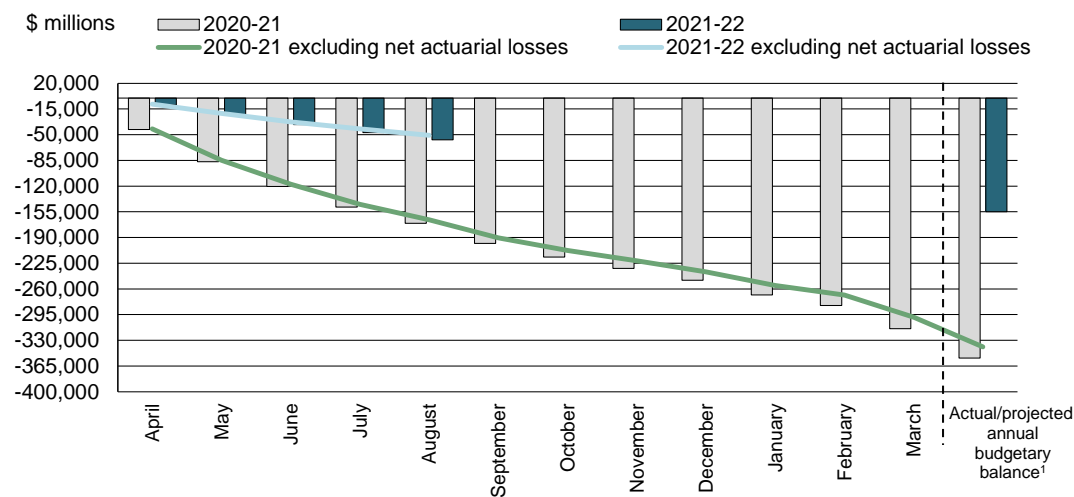
The government posted a budgetary deficit of \$57.2 billion for the April to August period of the 2021–22 fiscal year, compared to a deficit of \$170.5 billion reported for the same period of 2020–21. The budgetary deficit before net actuarial losses was \$50.7 billion, compared to a deficit of \$166.0 billion in the April to August period of 2020–21.

Compared to 2020–21:

- Revenues were up \$51.8 billion, or 53.3 per cent, primarily reflecting higher tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down \$64.1 billion, or 25.2 per cent, largely reflecting lower transfers to individuals and businesses under the Economic Response Plan, including the Canada Emergency Response Benefit (CERB) and Canada Recovery Benefits, the Canada Emergency Wage Subsidy (CEWS), and the Canada Emergency Business Account (CEBA) forgivable component.
- Public debt charges increased by \$0.6 billion, or 6.3 per cent, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower interest on treasury bills and the government's pension and benefit obligations.
- Net actuarial losses were up \$1.9 billion, or 43.0 per cent, reflecting increases in the value of the government's obligations for pensions and other employee future benefits. 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 use of disability and other future benefits provided to veterans.

Chart 2

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



¹Source: Budget 2021.

Table 1

Summary statement of transactions

\$ millions

	August		April to August	
	2020	2021	2020-21	2021-22
Budgetary transactions				
Revenues	23,257	30,437	97,200	148,967
Expenses				
Program expenses, excluding net actuarial losses ^{1, 2}	-42,022	-37,126	-254,141	-190,044
Public debt charges	-2,275	-1,855	-9,091	-9,662
Budgetary balance, excluding net actuarial losses ¹	-21,040	-8,544	-166,032	-50,739
Net actuarial losses ¹	-897	-1,283	-4,485	-6,415
Budgetary balance (deficit/surplus)	-21,937	-9,827	-170,517	-57,154
Non-budgetary transactions	10,743	2,664	-52,622	-22,159
Financial source/requirement	-11,194	-7,163	-223,139	-79,313
Net change in financing activities	-15,449	13,491	307,650	101,439
Net change in cash balances	-26,643	6,328	84,511	22,126
Cash balance at end of period			129,190	81,514

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

¹ Comparative figures 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 Year-to-date results for 2021–22 have been adjusted by \$1,124 million to reflect a correction to the amount originally reported for Children's benefits for July 2021.

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 August 2021 totalled \$30.4 billion, up \$7.2 billion, or 30.9 per cent, from August 2020.

- Tax revenues increased by \$4.9 billion, or 22.8 per cent, compared to the same period in 2020–21, when COVID-19 lockdowns and federal government measures such as tax deferrals had weighed on revenues. Stronger economic growth also contributed to increased tax revenue.
- Employment Insurance (EI) premium revenues were up \$39 million, or 2.5 per cent.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were down \$22 million, or 5.3 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 \$2.3 billion, from -\$0.3 billion in August 2020 to \$2.0 billion in August 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. As well, the year-over-year improvement in other revenues reflects higher revenues from interest and penalties relative to the prior year when the government temporarily waived such amounts on existing tax debts.

Revenues for the April to August period of 2021–22 totalled \$149.0 billion, up \$51.8 billion, or 53.3 per cent, from the same period in 2020–21.

- Tax revenues increased by \$35.9 billion, or 39.8 per cent, compared to the same period in 2020–21, when COVID-19 resulted in the shutdown of large portions of the economy and resulting government support measures such as the one-time enhanced GST credit payment and deferral of tax filing and payment deadlines. For its part, the federal portion of assessed cannabis excise duties increased by \$25 million to \$59 million over the April to August period.
- EI premium revenues were up \$0.7 billion, or 7.6 per cent, reflecting better labour market conditions.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were up \$0.5 billion, or 32.3 per cent, reflecting higher carbon pollution pricing and consumption in 2021.
- Other revenues were up \$14.6 billion, from -\$4.3 billion in 2020–21 to \$10.3 billion in 2021–22, largely reflecting higher Bank of Canada profits.

Table 2

Revenues

	August		Change	April to August		Change
	2020	2021		2020–21	2021–22	
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	14,060	14,879	5.8	64,541	71,533	10.8
Corporate	2,508	4,773	90.3	8,169	25,143	207.8
Non-resident	607	716	18.0	3,277	3,462	5.6
Total income tax revenues	17,175	20,368	18.6	75,987	100,138	31.8
Other taxes and duties						
Goods and Services Tax	3,059	4,657	52.2	8,370	19,264	130.2
Energy taxes	412	480	16.5	1,894	2,066	9.1
Customs import duties	374	463	23.8	1,481	2,247	51.7
Other excise taxes and duties	538	498	-7.4	2,480	2,410	-2.8
Total excise taxes and duties	4,383	6,098	39.1	14,225	25,987	82.7
Total tax revenues	21,558	26,466	22.8	90,212	126,125	39.8
Fuel charge proceeds	418	396	-5.3	1,691	2,237	32.3
Employment Insurance premiums	1,550	1,589	2.5	9,555	10,277	7.6
Other revenues	-269	1,986	838.3	-4,258	10,328	342.6
Total revenues	23,257	30,437	30.9	97,200	148,967	53.3

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 CERB, CEWS, CEBA repayment incentive, and Canada Recovery Benefits. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses in August 2021 were \$37.1 billion, down \$4.9 billion, or 11.7 per cent, from August 2020.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were down \$3.0 billion or 18.5 per cent.
 - Elderly benefits increased by \$0.1 billion, or 2.4 per cent.
 - EI benefits increased by \$0.5 billion, or 13.0 per cent, reflecting the temporary changes that have increased eligibility for the EI program.
 - Canada Recovery Benefits and CERB payments to individuals processed outside of the Employment Insurance Operating Account decreased \$3.6 billion, or 68.7 per cent, reflecting the wind-down of the CERB in 2020–21 and the introduction of the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, and the Canada Recovery Caregiving Benefit.
 - Children's benefits were down \$0.1 billion, or 5.9 per cent.

- Major transfers to other levels of government were down \$0.1 billion, or 2.0 per cent, as legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers, and transfers to the territories in the current year was more than offset by payments to provinces and territories under the Essential Workers Support Fund in the prior year.
- Direct program expenses were down \$1.7 billion, or 9.0 per cent. Within direct program expenses:
 - Fuel charge proceeds returned increased by \$8 million, or 11.8 per cent.
 - CEWS payments decreased by \$4.8 billion, or 69.5 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
 - Other transfer payments increased by \$0.6 billion, or 11.7 per cent, largely reflecting a one-time payment to seniors aged 75 and older in August 2021, partly offset by lower spending on temporary COVID-19 measures in the current year.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$2.4 billion, or 34.7 per cent, largely reflecting increased costs associated with purchases of vaccines and higher personnel costs.

Public debt charges decreased \$0.4 billion, or 18.5 per cent, largely reflecting lower 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, 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 use of disability and other future benefits provided to veterans.

For the April to August period of 2021–22, program expenses excluding net actuarial losses were \$190.0 billion, down \$64.1 billion, or 25.2 per cent, from the same period the previous year.

- Major transfers to persons were down \$34.3 billion or 33.0 per cent.
 - Elderly benefits increased by \$0.7 billion, or 2.7 per cent, largely reflecting growth in the number of recipients.
 - EI benefits decreased by \$10.5 billion, or 32.9 per cent, reflecting improved labour market conditions. EI benefits for the same period of the previous year included \$23.7 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 decreased \$23.3 billion, or 66.4 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 \$1.2 billion, or 9.5 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 \$1.9 billion, or 4.9 per cent, as legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers, and transfers to the territories in the current year was more than offset by transfers under the Essential Workers Support Fund in the prior year.
- Direct program expenses were down \$28.0 billion, or 24.9 per cent. Within direct program expenses:
 - Fuel charge proceeds returned increased by \$0.9 billion, or 35.6 per cent, largely reflecting an increase in the rate of the Climate Action Incentive for tax year 2020.
 - CEWS payments decreased \$22.9 billion, or 61.0 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee.
 - Other transfer payments decreased by \$9.8 billion, or 27.7 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 \$3.7 billion, or 9.9 per cent, largely reflecting an increase in personnel costs.

Public debt charges increased by \$0.6 billion, or 6.3 per cent, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower interest on treasury bills and the government's pension and benefit obligations.

Net actuarial losses increased by \$1.9 billion, or 43.0 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 use of disability and other future benefits provided to veterans.

Table 3

Expenses

	August			April to August		
	2020	2021	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	4,891	5,006	2.4	24,302	24,968	2.7
Employment Insurance benefits ¹	4,183	4,727	13.0	31,825	21,366	-32.9
Canada Emergency Response Benefit and Canada Recovery Benefits ¹	5,197	1,625	-68.7	35,053	11,788	-66.4
Children's benefits ²	2,111	1,986	-5.9	12,487	11,295	-9.5
Total major transfers to persons	16,382	13,344	-18.5	103,667	69,417	-33.0
Major transfers to other levels of government						
Canada Health Transfer	3,489	3,594	3.0	17,446	17,969	3.0
Canada Social Transfer	1,252	1,289	3.0	6,260	6,447	3.0
Equalization	1,714	1,743	1.7	8,572	8,713	1.6
Territorial Formula Financing	284	298	4.9	2,190	2,295	4.8
Canada Community-Building Fund	-	-	n/a	2,170	2,320	6.9
Home care and mental health	-	-	n/a	625	750	20.0
Other fiscal arrangements ³	-164	-482	-193.9	717	-2,377	-431.5
Total major transfers to other levels of government	6,575	6,442	-2.0	37,980	36,117	-4.9
Direct program expenses¹						
Fuel charge proceeds returned	68	76	11.8	2,601	3,526	35.6
Canada Emergency Wage Subsidy	6,840	2,087	-69.5	37,432	14,582	-61.0
Other transfer payments	5,205	5,812	11.7	35,162	25,408	-27.7
Operating expenses	6,952	9,365	34.7	37,299	40,994	9.9
Total direct program expenses	19,065	17,340	-9.0	112,494	84,510	-24.9
Total program expenses, excluding net actuarial losses¹	42,022	37,126	-11.7	254,141	190,044	-25.2
Public debt charges	2,275	1,855	-18.5	9,091	9,662	6.3
Total expenses, excluding net actuarial losses¹	44,297	38,981	-12.0	263,232	199,706	-24.1
Net actuarial losses ¹	897	1,283	43.0	4,485	6,415	43.0
Total expenses	45,194	40,264	-10.9	267,717	206,121	-23.0

Note: Totals may not add due to rounding.

¹ Comparative figures 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 Year-to-date results for 2021–22 have been reduced by \$1,124 million to reflect a correction to the amount originally reported for Children's benefits for July 2021.

³ 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, other items.

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

Table 4

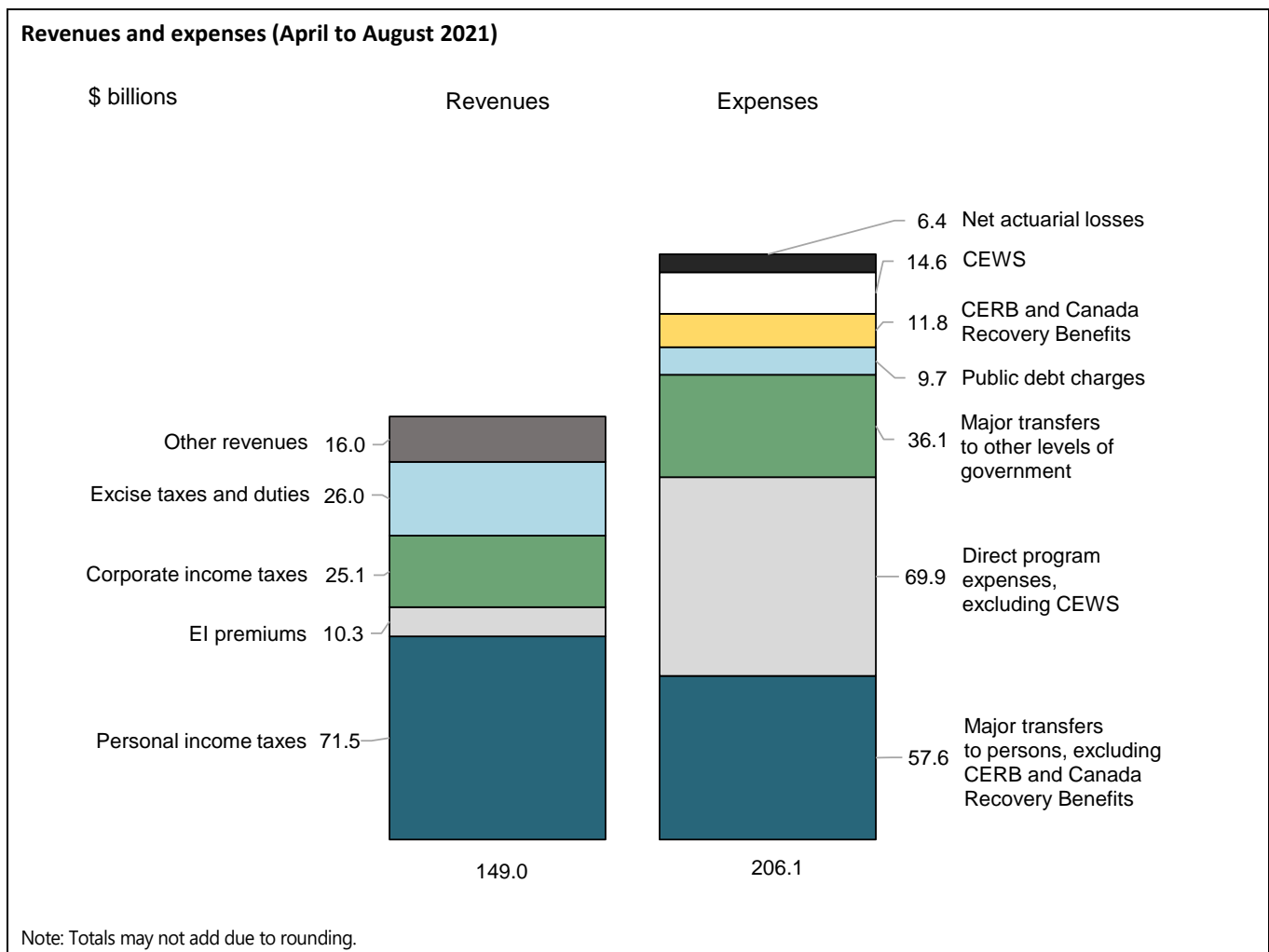
Total expenses by object of expense

	August			April to August		
	2020	2021	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments ¹	35,070	27,761	-20.8	216,842	149,050	-31.3
Other expenses						
Personnel, excluding net actuarial losses ²	4,104	4,881	18.9	21,209	24,012	13.2
Transportation and communications	156	209	34.0	712	797	11.9
Information	27	74	174.1	141	184	30.5
Professional and special services	934	1,143	22.4	3,503	4,638	32.4
Rentals	257	241	-6.2	1,392	1,554	11.6
Repair and maintenance	213	256	20.2	900	1,045	16.1
Utilities, materials and supplies	250	1,502	500.8	3,152	3,348	6.2
Other subsidies and expenses	545	597	9.5	4,014	3,095	-22.9
Amortization of tangible capital assets	456	454	-0.4	2,234	2,283	2.2
Net loss on disposal of assets	10	8	-20.0	42	38	-9.5
Total other expenses	6,952	9,365	34.7	37,299	40,994	9.9
Total program expenses, excluding net actuarial losses²	42,022	37,126	-11.7	254,141	190,044	-25.2
Public debt charges	2,275	1,855	-18.5	9,091	9,662	6.3
Total expenses, excluding net actuarial losses²	44,297	38,981	-12.0	263,232	199,706	-24.1
Net actuarial losses ²	897	1,283	43.0	4,485	6,415	43.0
Total expenses	45,194	40,264	-10.9	267,717	206,121	-23.0

Note: Totals may not add due to rounding.

¹ Year-to-date results for 2021-22 have been reduced by \$1,124 million to reflect a correction to the amount originally reported for Children's benefits for July 2021.

² Comparative figures 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 \$79.3 billion for April to August 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 \$57.2 billion and a requirement of \$22.2 billion from non-budgetary transactions, there was a financial requirement of \$79.3 billion for the April to August 2021 period, compared to a financial requirement of \$223.1 billion for the same period of the previous year.

The decrease in the financial requirement for non-budgetary transactions is due in large part to the end of temporary COVID-19 response measures, including deferrals of personal and corporate income tax payments and GST remittances in 2020–21, 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.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	August		April to August	
	2020	2021	2020–21	2021–22
Budgetary balance (deficit/surplus)¹	-21,937	-9,827	-170,517	-57,154
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable ¹	6,238	4,986	-41,776	-11,045
Pensions, other future benefits, and other liabilities	1,064	1,411	4,369	6,105
Foreign exchange accounts	3,068	-3,066	2,897	-9,878
Loans, investments and advances	773	-1,007	-18,046	-7,659
Non-financial assets	-400	340	-66	318
Total non-budgetary transactions	10,743	2,664	-52,622	-22,159
Financial source/requirement	-11,194	-7,163	-223,139	-79,313

Note: Totals may not add due to rounding.

¹ Year-to-date results for 2021–22 have been adjusted by \$1,124 million to reflect a correction to the amount originally reported for Children's benefits for July 2021.

Net financing activities up \$101.4 billion

The government financed this financial requirement of \$79.3 billion and increased cash balances by \$22.1 billion by increasing unmatured debt by \$101.4 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds.

Cash balances at the end of August 2021 stood at \$81.5 billion, down \$47.7 billion from their level at the end of August 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

	August		April to August	
	2020	2021	2020-21	2021-22
Financial source/requirement	-11,194	-7,163	-223,139	-79,313
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	37,311	15,233	132,944	90,781
Treasury bills	-51,300	-3,400	171,233	4,600
Retail debt	-4	-4	-17	-13
Total Canadian currency borrowings	-13,993	11,829	304,160	95,368
Foreign currency borrowings	-989	914	3,663	6,044
Total market debt transactions	-14,982	12,743	307,823	101,412
Cross-currency swap revaluation	-2,170	716	-5,863	293
Unamortized discounts and premiums on market debt	1,721	47	5,807	-308
Obligations related to capital leases and other unmatured debt	-18	-15	-117	42
Net change in financing activities	-15,449	13,491	307,650	101,439
Change in cash balance	-26,643	6,328	84,511	22,126
Cash balance at end of period			129,190	81,514

Note: Totals may not add due to rounding.

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. 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". Comparative figures 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.

For inquiries about this publication, contact Bradley.Recker@fin.gc.ca.

October 2021