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Ministère des Finances
Canada



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Financial Results for March 2022

Canada 

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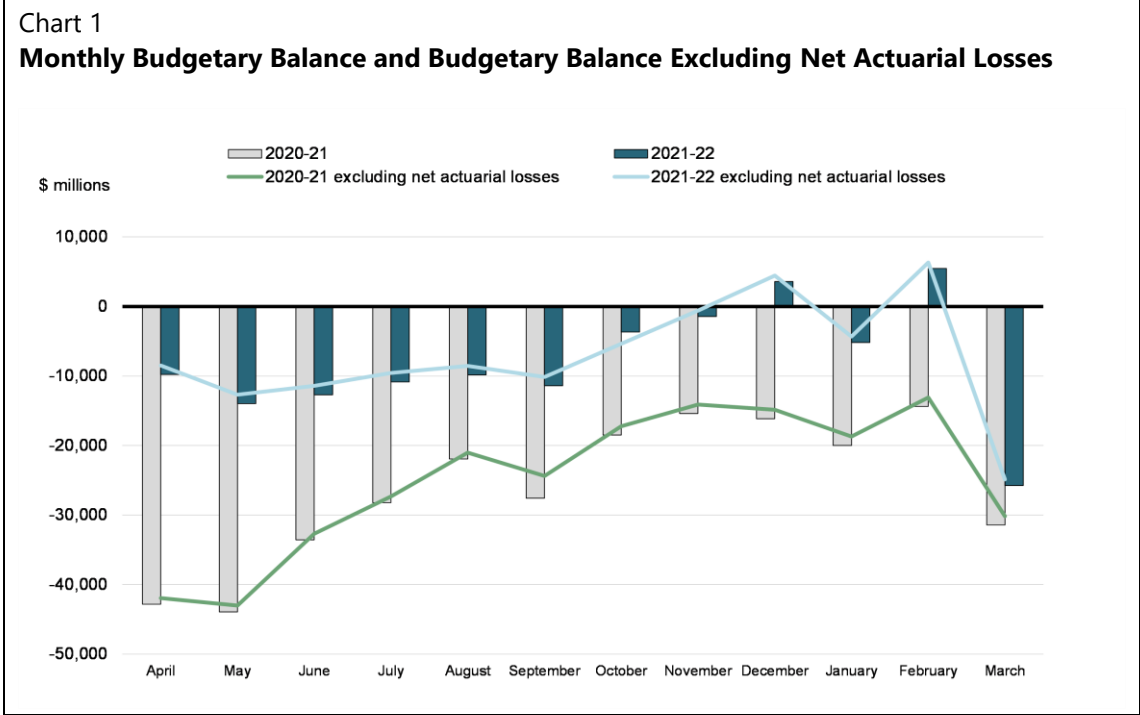
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Highlights

March 2022

There was a budgetary deficit of \$25.7 billion in March 2022, compared to a deficit of \$31.4 billion in March 2021. The budgetary deficit before net actuarial losses was \$24.9 billion, compared to a deficit of \$30.2 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 2020–21, and the unprecedented level of temporary COVID-19 response measures at the time.



Compared to March 2021:

- Revenues increased by \$4.9 billion, or 14.2 per cent, on a year-over-year basis, largely reflecting an increase in tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down \$0.9 billion, or 1.4 per cent, reflecting decreased transfers under the COVID-19 Economic Response Plan, including the Canada Emergency Wage Subsidy (CEWS) and Canada Recovery Benefits, offset in part by estimated costs recorded for disaster assistance and environmental liabilities.
- Public debt charges were up \$0.5 billion, or 26.5 per cent, reflecting higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and higher interest on marketable 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 March 2022

The government posted a budgetary deficit of \$95.6 billion for the April to March period of the 2021-22 fiscal year, compared to a deficit of \$314.0 billion reported for the same period of 2020-21. The budgetary deficit before net actuarial losses was \$85.2 billion, compared to a deficit of \$298.6 billion in the April to March period of 2020-21.

Compared to 2020-21:

- Revenues were up \$97.4 billion, or 32.5 per cent, primarily reflecting higher tax revenues and other revenues.
- Program expenses excluding net actuarial losses were down \$120.3 billion, or 20.8 per cent, largely reflecting lower transfers to businesses, individuals, and other levels of government under the Economic Response Plan.
- Public debt charges increased by \$4.3 billion, or 20.9 per cent, primarily driven by higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and higher interest on marketable bonds.
- Net actuarial losses decreased by \$5.1 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

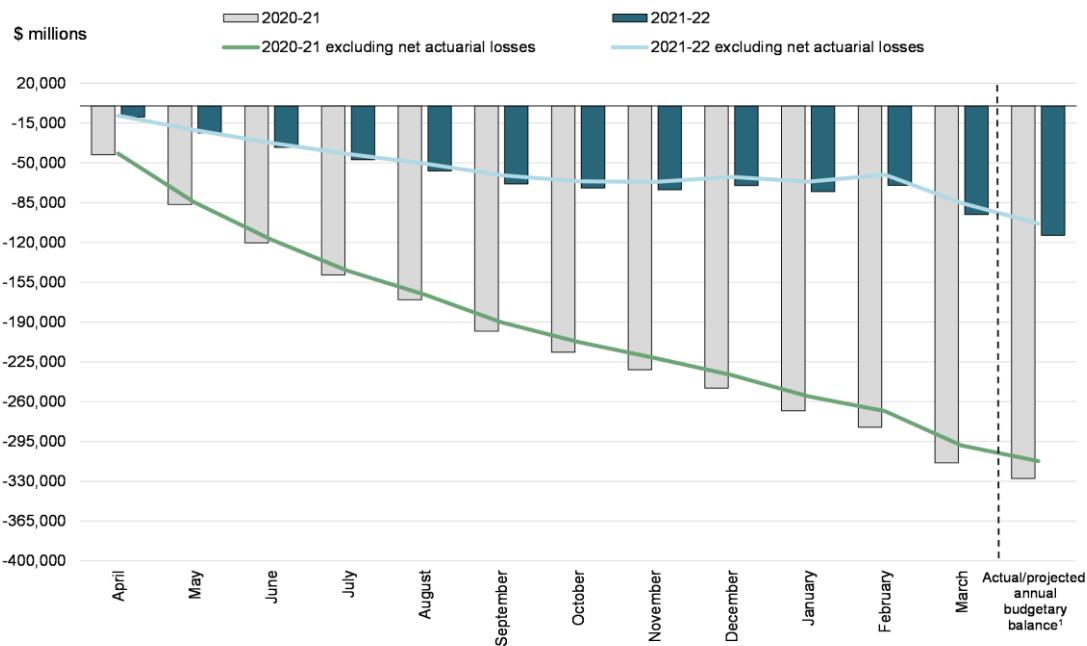
Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses¹ Source: Budget 2022.

Table 1

Summary statement of transactions

\$ millions

	March		April to March	
	2021	2022	2020-21	2021-22
Budgetary transactions				
Revenues	34,517	39,403	299,466	396,821
Expenses				
Program expenses, excluding net actuarial losses	-62,738	-61,839	-577,576	-457,296
Public debt charges	-1,939	-2,452	-20,490	-24,771
Budgetary balance, excluding net actuarial losses	-30,160	-24,888	-298,600	-85,246
Net actuarial losses	-1,283	-860	-15,399	-10,320
Budgetary balance (deficit/surplus)	-31,443	-25,748	-313,999	-95,566
Non-budgetary transactions	25,167	28,876	-13,146	10,325
Financial source/requirement	-6,276	3,128	-327,145	-85,241
Net change in financing activities	-2,880	5,288	341,562	118,113
Net change in cash balances	-9,156	8,416	14,417	32,872
Cash balance at end of period			59,097	92,261

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 March 2022 totalled \$39.4 billion, up \$4.9 billion, or 14.2 per cent, from March 2021.

- Tax revenues increased by \$3.1 billion, or 11.3 per cent, mainly due to higher personal income tax revenue. This reflects a higher number of individuals in employment compared to the same period in 2020–21, when COVID-19 restrictions continued to weigh on labour markets.
- Employment Insurance (EI) premium revenues were up \$0.5 billion, or 18.6 per cent.
- Proceeds from the pollution pricing framework were down \$40 million, or 5.5 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 \$1.4 billion, or 34.9 per cent, from March 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 March period of 2021–22 totalled \$396.8 billion, up \$97.4 billion, or 32.5 per cent, from the same period in 2020–21.

- Tax revenues increased by \$65.3 billion, or 24.2 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 particular, corporate income tax revenue showed strong improvement supported by broad-based gains across industry sectors. For its part, the federal portion of assessed cannabis excise duties increased by \$50 million to \$153 million over the April to March period.
- EI premium revenues were up \$1.8 billion, or 7.9 per cent, reflecting better labour market conditions.
- Proceeds from the pollution pricing framework were up \$1.5 billion, or 36.1 per cent, reflecting higher carbon pollution pricing and consumption in 2021.
- Other revenues were up \$28.8 billion, from \$3.5 billion in 2020–21 to \$32.3 billion in 2021–22, largely reflecting higher Bank of Canada and other enterprise Crown corporation profits.

Table 2

Revenues

	March			April to March		
	2021	2022	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	13,655	16,599	21.6	164,164	182,180	11.0
Corporate	8,211	8,412	2.4	51,415	80,683	56.9
Non-resident	900	655	-27.2	8,695	9,972	14.7
Total income tax revenues	22,766	25,666	12.7	224,274	272,835	21.7
Other taxes and duties						
Goods and Services Tax	3,221	3,238	0.5	30,534	45,465	48.9
Energy taxes	360	386	7.2	4,934	5,301	7.4
Customs import duties	526	390	-25.9	4,242	5,211	22.8
Other excise taxes and duties	261	507	94.3	5,414	5,837	7.8
Total excise taxes and duties	4,368	4,521	3.5	45,124	61,814	37.0
Total tax revenues	27,134	30,187	11.3	269,398	334,649	24.2
Proceeds from the pollution pricing framework	732	692	-5.5	4,256	5,791	36.1
Employment Insurance premiums	2,759	3,272	18.6	22,273	24,038	7.9
Other revenues	3,892	5,252	34.9	3,539	32,343	813.9
Total revenues	34,517	39,403	14.2	299,466	396,821	32.5

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 March 2022 were \$61.8 billion, down \$0.9 billion, or 1.4 per cent, from March 2021.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were down \$5.0 billion or 32.6 per cent.
 - Elderly benefits increased by \$0.3 billion, or 6.0 per cent, reflecting changes in consumer prices to which benefits are fully indexed, and growth in the number of recipients.
 - EI benefits decreased by \$2.9 billion, or 53.3 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 \$2.4 billion, or 86.4 per cent, largely reflecting the wind-down of the Canada Recovery Benefit.
 - Children's benefits were up \$10 million, or 0.5 per cent.
- Major transfers to other levels of government were up \$1.1 billion, or 14.9 per cent, largely reflecting new funding under the Canada-wide early learning and child care plan and increased home care and mental health transfers. This increase was partly offset by transfers made in the prior year under the Safe Restart Agreement and the Essential Workers Support Fund.

- Direct program expenses were up \$3.0 billion, or 7.4 per cent. Within direct program expenses:
 - Proceeds from the pollution pricing framework returned decreased by \$1.4 billion, or 96.7 per cent, reflecting a change in the delivery of the Climate Action Incentive, from annually on personal income tax returns to a quarterly benefit.
 - CEWS payments decreased by \$3.5 billion, or 92.9 per cent, reflecting the wind-down of the program.
 - Other transfer payments increased by \$5.3 billion, or 29.1 per cent, largely reflecting provisions for the estimated federal share of recovery costs related to recent natural disasters in British Columbia.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$2.6 billion, or 15.6 per cent, largely reflecting the revaluation of obligations for environmental liabilities and increased public health expenses.

Public debt charges increased \$0.5 billion, or 26.5 per cent, largely due to higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and higher interest on marketable 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 March period of 2021-22, program expenses excluding net actuarial losses were \$457.3 billion, down \$120.3 billion, or 20.8 per cent, from the same period the previous year.

- Major transfers to persons were down \$58.9 billion or 28.9 per cent.
 - Elderly benefits increased by \$2.5 billion, or 4.2 per cent, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
 - EI benefits decreased by \$22.4 billion, or 36.3 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 \$38.4 billion, or 68.3 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 2.0 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 \$13.9 billion, or 13.9 per cent, primarily reflecting transfers made to provinces and territories in the prior year under the Safe Restart Agreement, the Essential Workers Support Fund, and the Safe Return to Class Fund. 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 \$47.6 billion, or 17.3 per cent. Within direct program expenses:
 - Proceeds from the pollution pricing framework returned decreased by \$0.7 billion, or 16.1 per cent, largely reflecting the change in the delivery of the Climate Action Incentive, from annually on personal income tax returns to a quarterly benefit.
 - CEWS payments decreased by \$52.8 billion, or 70.4 per cent, reflecting declines in the number of eligible employees and the average subsidy per employee, and the wind-down of the program.

- Other transfer payments decreased by \$7.6 billion, or 8.1 per cent, largely reflecting a decrease in repayment incentive costs under the CEBA program owing to lower take-up compared to 2020-21 and the end of other temporary COVID-19 response measures introduced in the previous year. This decrease was partly offset by increased provisions for disaster assistance.
- Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$13.6 billion, or 13.3 per cent, largely reflecting changes in provisions for contingent and environmental liabilities, increased public health expenses, and increased personnel costs.

Public debt charges increased by \$4.3 billion, or 20.9 per cent, primarily driven by higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and higher interest on marketable bonds.

Net actuarial losses decreased by \$5.1 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

	March			April to March		
	2021	2022	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	4,965	5,263	6.0	58,732	61,222	4.2
Employment Insurance benefits	5,452	2,544	-53.3	61,869	39,425	-36.3
COVID-19 income support for workers ¹	2,729	370	-86.4	56,166	17,787	-68.3
Children's benefits	2,056	2,066	0.5	26,796	26,261	-2.0
Total major transfers to persons	15,202	10,243	-32.6	203,563	144,695	-28.9
Major transfers to other levels of government						
Canada Health Transfer	3,500	3,601	2.9	41,880	43,133	3.0
Canada Social Transfer	1,252	1,289	3.0	15,023	15,474	3.0
Equalization	1,714	1,787	4.3	20,573	20,955	1.9
Territorial Formula Financing	284	298	4.9	4,180	4,380	4.8
Canada-wide early learning and child care	-	1,117	n/a	-	2,948	n/a
Canada Community-Building Fund	-	-	n/a	2,170	2,320	6.9
Home care and mental health	1	908	90,700.0	1,250	2,500	100.0
Other fiscal arrangements ²	634	-511	-180.6	14,321	-6,173	-143.1
Total major transfers to other levels of government	7,385	8,489	14.9	99,397	85,537	-13.9
Direct program expenses						
Proceeds from the pollution pricing framework returned	1,499	50	-96.7	4,526	3,796	-16.1
Canada Emergency Wage Subsidy	3,749	266	-92.9	74,988	22,165	-70.4
Other transfer payments	18,184	23,469	29.1	93,061	85,488	-8.1
Operating expenses	16,719	19,322	15.6	102,041	115,615	13.3
Total direct program expenses	40,151	43,107	7.4	274,616	227,064	-17.3
Total program expenses, excluding net actuarial losses	62,738	61,839	-1.4	577,576	457,296	-20.8
Public debt charges	1,939	2,452	26.5	20,490	24,771	20.9
Total expenses, excluding net actuarial losses	64,677	64,291	-0.6	598,066	482,067	-19.4
Net actuarial losses	1,283	860	-33.0	15,399	10,320	-33.0
Total expenses	65,960	65,151	-1.2	613,465	492,387	-19.7

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.

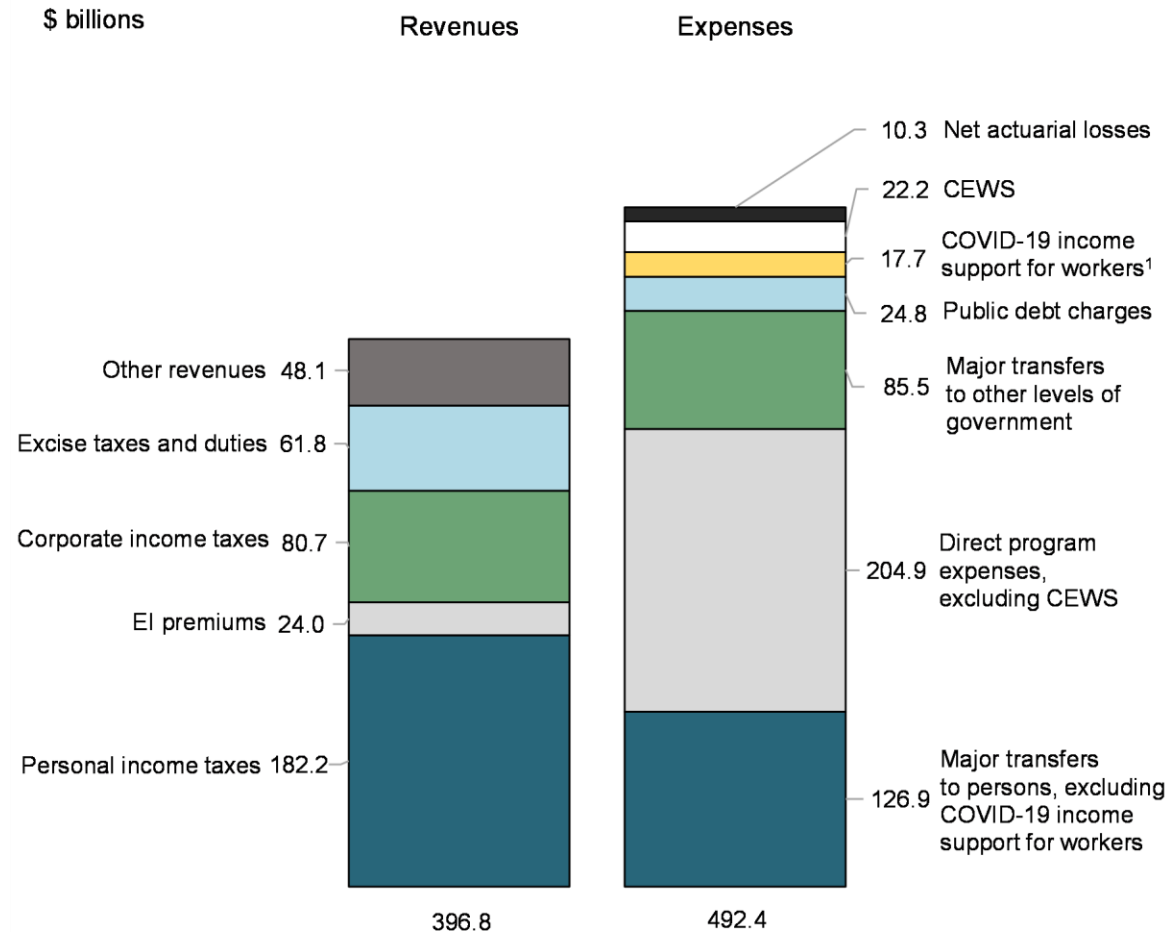
Table 4

Total expenses by object of expense

	March			April to March		
	2021	2022	Change	2020-21	2021-22	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	46,019	42,517	-7.6	475,535	341,681	-28.1
Other expenses						
Personnel, excluding net actuarial losses	7,904	6,740	-14.7	57,848	60,145	4.0
Transportation and communications	501	858	71.3	2,086	2,940	40.9
Information	176	187	6.3	539	650	20.6
Professional and special services	4,097	4,530	10.6	14,169	17,441	23.1
Rentals	587	616	4.9	3,611	4,033	11.7
Repair and maintenance	928	968	4.3	3,531	3,785	7.2
Utilities, materials and supplies	1,846	2,968	60.8	8,341	10,732	28.7
Other subsidies and expenses	542	2,388	340.6	6,741	11,222	66.5
Amortization of tangible capital assets	112	55	-50.9	5,050	4,549	-9.9
Net loss on disposal of assets	26	12	-53.8	125	118	-5.6
Total other expenses	16,719	19,322	15.6	102,041	115,615	13.3
Total program expenses, excluding net actuarial losses	62,738	61,839	-1.4	577,576	457,296	-20.8
Public debt charges	1,939	2,452	26.5	20,490	24,771	20.9
Total expenses, excluding net actuarial losses	64,677	64,291	-0.6	598,066	482,067	-19.4
Net actuarial losses	1,283	860	-33.0	15,399	10,320	-33.0
Total expenses	65,960	65,151	-1.2	613,465	492,387	-19.7

Note: Totals may not add due to rounding.

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



Note: Totals may not add due to rounding.

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

Financial requirement of \$85.2 billion for April 2021 to March 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 \$95.6 billion and a financial source of \$10.3 billion from non-budgetary transactions, there was a financial requirement of \$85.2 billion for the April 2021 to March 2022 period, compared to a financial requirement of \$327.1 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 deferred revenues, environmental liabilities, and provisions for claims and disaster assistance, 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

	March		April to March	
	2021	2022	2020-21	2021-22
Budgetary balance (deficit/surplus)	-31,443	-25,748	-313,999	-95,566
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	16,545	25,869	-3,434	30,350
Pensions, other future benefits, and other liabilities	1,978	9,767	16,803	19,982
Foreign exchange accounts	4,359	-1,916	12,280	-11,409
Loans, investments and advances	4,801	-3,439	-32,772	-25,434
Non-financial assets	-2,516	-1,405	-6,023	-3,164
Total non-budgetary transactions	25,167	28,876	-13,146	10,325
Financial source/requirement	-6,276	3,128	-327,145	-85,241

Note: Totals may not add due to rounding.

Net financing activities up \$118.1 billion

The government financed this financial requirement of \$85.2 billion and increased cash balances by \$32.9 billion by increasing unmatured debt by \$118.1 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds.

Cash balances at the end of March 2022 stood at \$92.3 billion.

Table 6

Financial source/requirement and net financing activities

\$ millions

	March		April to March	
	2021	2022	2020-21	2021-22
Financial source/requirement	-6,276	3,128	-327,145	-85,241
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	13,380	4,355	278,482	155,611
Treasury bills	-11,800	2,800	66,933	-31,400
Retail debt	-4	-	-198	-299
Total Canadian currency borrowings	1,576	7,155	345,217	123,912
Foreign currency borrowings	-1,224	458	-514	-976
Total market debt transactions	352	7,613	344,703	122,936
Cross-currency swap revaluation	-2,102	-1,939	-10,142	-2,697
Unamortized discounts and premiums on market debt	-1,149	-497	7,204	-2,247
Obligations related to capital leases and other unmatured debt	19	111	-203	121
Net change in financing activities	-2,880	5,288	341,562	118,113
Change in cash balance	-9,156	8,416	14,417	32,872
Cash balance at end of period			59,097	92,261

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 \$91.4 billion over the April 2021 to March 2022 period, reflecting the \$95.6-billion budgetary deficit, offset in part by \$4.2 billion in other comprehensive income.

Table 7

Condensed statement of assets and liabilities

\$ millions

	March 31, 2021	March 31, 2022	Change
Liabilities			
Accounts payable and accrued liabilities	207,397	234,214	26,817
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	875,306	1,030,917	155,611
Treasury bills	218,775	187,375	-31,400
Retail debt	299	-	-299
Subtotal	1,094,380	1,218,292	123,912
Payable in foreign currencies	15,427	14,451	-976
Cross-currency swap revaluation	450	-2,247	-2,697
Unamortized discounts and premiums on market debt	9,690	7,443	-2,247
Obligations related to capital leases and other unmaturing debt	5,239	5,360	121
Total unmaturing debt	1,125,186	1,243,299	118,113
Pension and other liabilities			
Public sector pensions	168,761	172,875	4,114
Other employee and veteran future benefits	144,186	159,048	14,862
Other liabilities	6,711	7,717	1,006
Total pension and other liabilities	319,658	339,640	19,982
Total interest-bearing debt	1,444,844	1,582,939	138,095
Total liabilities	1,652,241	1,817,153	164,912
Financial assets			
Cash and accounts receivable	224,196	253,535	29,339
Foreign exchange accounts	92,622	104,031	11,409
Loans, investments, and advances (net of allowances) ¹	179,278	208,907	29,629
Public sector pension assets	6,320	6,320	-
Total financial assets	502,416	572,793	70,377
Net debt	1,149,825	1,244,360	94,535
Non-financial assets	101,079	104,243	3,164
Federal debt (accumulated deficit)	1,048,746	1,140,117	91,371

Note: Totals may not add due to rounding.

¹ March 31, 2022 amount includes \$4.2 billion in other comprehensive income from enterprise Crown corporations and other government business enterprises for the April 2021 to March 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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May 2022