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Ministère des Finances Canada

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Financial results for September 2020

Canada

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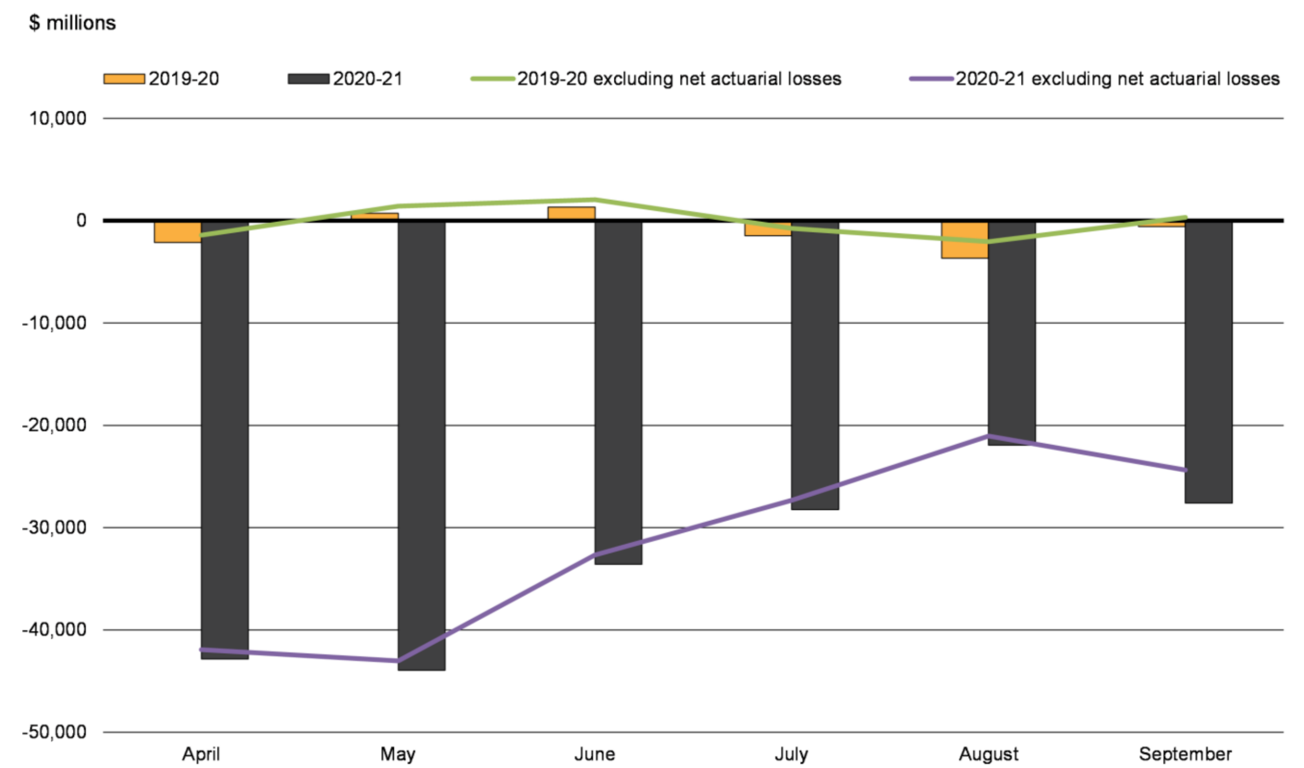
Highlights

September 2020

There was a budgetary deficit of $27.6 billion in September 2020, compared to a deficit of $0.6 billion in September 2019. The budgetary deficit before net actuarial losses was $24.4 billion, compared to a surplus of $0.3 billion in September 2019. The budgetary balance before net actuarial losses is a new measure that is being 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.

Monthly Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses



Compared to September 2019:

- Revenues increased by $4.4 billion, or 16.1 per cent, reflecting an increase in corporate income tax revenues primarily due to the end of the tax deferral period (September 30).
- Program expenses excluding net actuarial losses were up $29.9 billion, or 120.6 per cent, driven by increased transfers to other levels of government, businesses, and individuals as part of the government's COVID-19 response measures.

- Public debt charges were down $0.8 billion, or 38.9 per cent, largely reflecting lower Consumer Price Index adjustments on Real Return Bonds and lower interest on the government's pension and other employee future benefit obligations.
- Net actuarial losses were up $2.3 billion, or 258.4 per cent, due mainly to a year-to-date adjustment in September 2020 to reflect the government's latest actuarial valuations for pensions and benefits.

April to September 2020

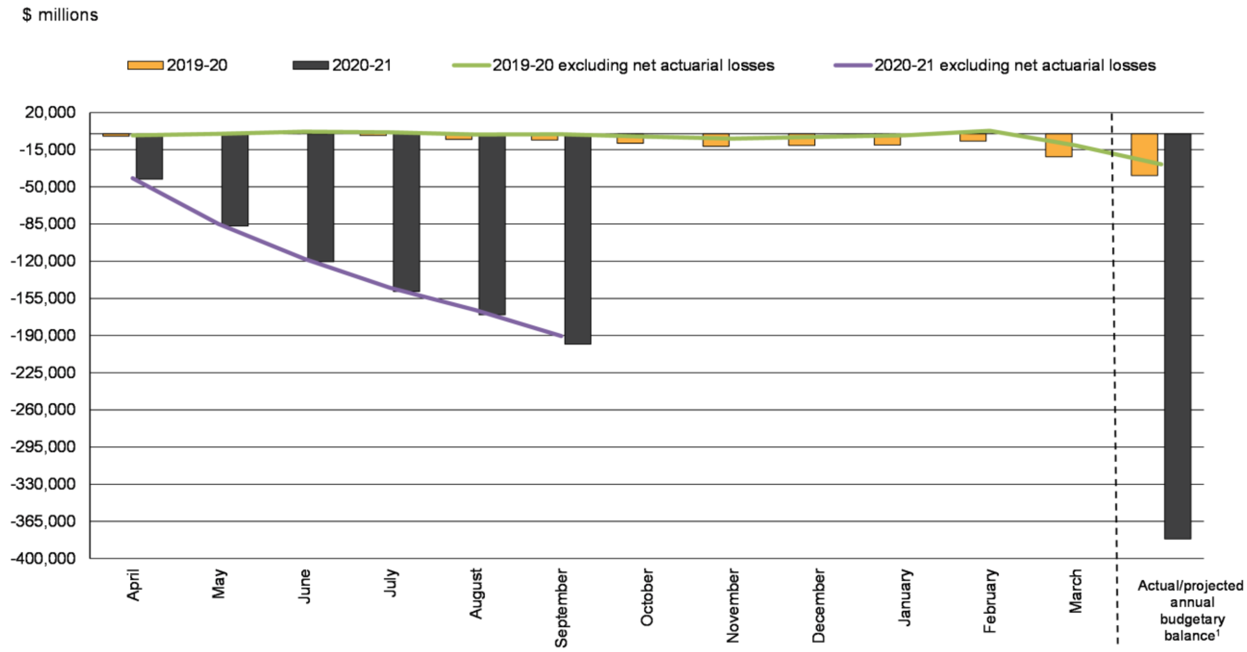
For the April to September period of the 2020–21 fiscal year, the government posted a budgetary deficit of $198.1 billion, compared to a deficit of $5.8 billion reported for the same period of 2019–20. The budgetary deficit before net actuarial losses was $190.4 billion, compared to a deficit of $0.4 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 $35.2 billion, or 21.5 per cent, primarily reflecting a broad-based reduction in revenues, including lower tax revenues and other revenues.
- Program expenses excluding net actuarial losses were up $157.4 billion, or 103.9 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), the Canada Emergency Wage Subsidy (CEWS), the 25 per cent incentive for the Canada Emergency Business Account (CEBA), and transfers under the Safe Restart Agreement.
- Public debt charges decreased by $2.6 billion, or 19.9 per cent, reflecting lower Consumer Price Index adjustments on Real Return Bonds, lower interest on the government's pension and benefit obligations, and lower interest on treasury bills.
- Net actuarial losses were up $2.3 billion, or 43.1 per cent, reflecting increases in the measurement of the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 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.

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



[1]Sources: *Annual Financial Report of the Government of Canada 2019-2020*; *Fall Economic Statement 2020*.

Table 1

Summary statement of transactions

$ millions

	September		April to September	
	2019	**2020**	**2019–20**	**2020–21**
Budgetary transactions				
Revenues	27,252	31,648	164,067	128,848
Expenses				
Program expenses, excluding net actuarial losses[1]	-24,807	-54,726	-151,512	-308,868
Public debt charges	-2,126	-1,300	-12,976	-10,390
Budgetary balance, excluding net actuarial losses[1]	319	-24,378	-421	-190,410
Net actuarial losses[1]	-897	-3,215	-5,380	-7,700
Budgetary balance (deficit/surplus)	-578	-27,593	-5,801	-198,110
Non-budgetary transactions	3,040	-1,792	-7,686	-54,413
Financial source/requirement	2,462	-29,385	-13,487	-252,523
Net change in financing activities	-11,306	-11,587	10,594	296,063
Net change in cash balances	-8,844	-40,972	-2,893	43,540
Cash balance at end of period			37,112	88,219

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

[1] 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 September 2020 totalled $31.6 billion, up $4.4 billion, or 16.1 per cent, from September 2019.

- Tax revenues increased by $6.6 billion, or 28.4 per cent, driven by an increase in corporate income tax revenues, largely reflecting the end of the tax deferral period (September 30, 2020).
- Employment Insurance (EI) premium revenues were up $27 million, or 2.0 per cent.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were up $0.1 billion, or 83.1 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 down $2.4 billion, or 94.1 per cent. This decrease largely reflects lower profits from enterprise Crown corporations, particularly the Bank of Canada, and lower revenues from interest and penalties. The decrease in Bank of Canada profits is attributable to the Bank's secondary market purchases of Government of Canada securities to support liquidity in financial markets. Under the public sector accounting standards, premiums paid on these bond purchases are expensed immediately, which more than offsets interest earned on the securities during the month.

For the April to September period of 2020–21, revenues were $128.8 billion, down $35.2 billion, or 21.5 per cent, from the same period the previous year.

- Tax revenues decreased by $17.4 billion, or 12.6 per cent, driven largely by declines in GST and corporate income tax revenues, reflecting COVID-19 impacts and related measures such as the introduction of the enhanced GST credit. For its part, the federal portion of assessed cannabis excise duties increased by $19 million to $39 million over the April to September period.
- EI premium revenues were down $0.4 billion, or 3.4 per cent.
- Assessed fuel charge proceeds were up $1.4 billion, or 239.3 per cent.
- Other revenues were down $18.9 billion, or 127.9 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

	September		Change	April to September		Change
	2019	2020		2019–20	2020–21	
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	14,369	14,282	-0.6	79,501	78,823	-0.9
Corporate	3,479	10,396	198.8	24,006	18,565	-22.7
Non-resident	504	459	-8.9	4,047	3,736	-7.7
Total income tax revenues	18,352	25,137	37.0	107,554	101,124	-6.0
Other taxes and duties						
Goods and Services Tax	3,325	3,365	1.2	20,767	11,735	-43.5
Energy taxes	533	468	-12.2	2,875	2,362	-17.8
Customs import duties	442	411	-7.0	2,809	1,892	-32.6
Other excise taxes and duties	623	502	-19.4	3,445	2,982	-13.4
Total excise taxes and duties	4,923	4,746	-3.6	29,896	18,971	-36.5
Total tax revenues	23,275	29,883	28.4	137,450	120,095	-12.6
Fuel charge proceeds	136	249	83.1	572	1,941	239.3
Employment Insurance premiums	1,342	1,369	2.0	11,303	10,924	-3.4
Other revenues	2,499	147	-94.1	14,742	-4,112	-127.9
Total revenues	27,252	31,648	16.1	164,067	128,848	-21.5

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 25 per cent incentive under the CEBA, the Canada Emergency Student Benefit (CESB), and the Canada Emergency Commercial Rent Assistance (CECRA) program. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses in September 2020 were $54.7 billion, up $29.9 billion, or 120.6 per cent, from September 2019.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and children's benefits, were up $6.8 billion or 83.9 per cent.
    - Elderly benefits increased by $0.3 billion, or 6.0 per cent, due to growth in the number of recipients.
    - EI benefits, which increased by $2.1 billion, or 140.9 per cent, included $2.9 billion in CERB benefits to individuals eligible for EI.
    - CERB payments to those individuals not eligible for EI totalled $4.8 billion, bringing total transfers under the CERB to $7.7 billion.
    - Children's benefits were down $0.3 billion, or 15.6 per cent, reflecting adjustments for benefit payments in previous months based on updated tax information.

- Major transfers to other levels of government were up $14.0 billion, or 231.9 per cent, primarily reflecting transfers to provinces and territories under the Safe Restart Agreement and the Safe Return to Class Fund, as well as transfers to clean up orphan and inactive oil and gas wells.
- Direct program expenses were up $9.1 billion, or 85.7 per cent. Within direct program expenses:
    - Fuel charge proceeds returned increased by $48 million, or 342.9 per cent, largely reflecting the maturity of the program and an increase in the rate of the Climate Action Incentive payments for tax year 2019.
    - The CEWS reflects $6.7 billion in payments to eligible employers under Canada's COVID-19 Economic Response Plan.
    - Other transfer payments increased by $1.7 billion, or 48.0 per cent, largely reflecting a number of COVID-19 response measures, including relief provided under the CECRA program, the doubling of Canada Student Grant amounts, and support for Indigenous communities and organizations.
    - Operating expenses of the government's departments, agencies and consolidated Crown corporations and other entities increased by $0.6 billion, or 8.8 per cent, largely due to a year-to-date adjustment to the government's current service costs for pensions and other employee future benefits based on updated actuarial valuations.

Public debt charges decreased by $0.8 billion, or 38.9 per cent, reflecting lower Consumer Price Index adjustments on Real Return Bonds, and lower interest on the government's pension and other employee future benefit obligations, reflecting decreases in the discount rates used to value these obligations.

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 $2.3 billion, or 258.4 per cent, due to a year-to-date adjustment made to reflect the government's actuarial valuations prepared for the *Public Accounts of Canada 2020*.

For the April to September period of 2020–21, program expenses excluding net actuarial losses were $308.9 billion, up $157.4 billion, or 103.9 per cent, from the same period the previous year.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and children's benefits, were up $70.0 billion or 143.6 per cent.
    - Elderly benefits increased by $1.6 billion, or 5.9 per cent, reflecting growth in the number of recipients.
    - EI benefits increased by $26.3 billion, or 291.3 per cent, due to higher unemployment resulting from the crisis. EI benefits included $26.6 billion in CERB benefits paid to individuals eligible for EI.
    - CERB payments to those individuals not eligible for EI accounted for $39.9 billion, bringing total transfers under the CERB to $66.5 billion.
    - Children's benefits were up $2.1 billion, or 17.6 per cent, reflecting the one-time increase to the May 2020 Canada Child Benefit payment.

- Major transfers to other levels of government were up $17.6 billion, or 43.4 per cent, largely reflecting transfers under the Safe Restart Agreement and the Essential Workers Wage Top-Up; legislated growth in 2020–21 in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories; the accelerated timing of federal funding delivered through the Gas Tax Fund; transfers through 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 resulting from the Hibernia Dividend Backed Annuity Agreement between Canada and Newfoundland and Labrador, which did not recur in 2020–21.

- Direct program expenses were up $69.8 billion, or 112.0 per cent. Within direct program expenses:
    - Fuel charge proceeds returned increased by $1.4 billion, or 111.9 per cent, largely reflecting the continued administration of Climate Action Incentive payments, at an increased rate, for the 2019 tax year.
    - The CEWS accounted for $44.1 billion in payments.
    - Other transfer payments increased by $20.9 billion, or 106.6 per cent, largely reflecting a number of COVID-19 response measures, including the 25 per cent incentive under the CEBA, transfers to students under the CESB, support for seniors to cover increased costs as a result of COVID-19, and payments under the CECRA.
    - Operating expenses of the government's departments, agencies and consolidated Crown corporations and other entities increased by $3.4 billion, or 8.2 per cent, reflecting in large part purchases of medical and personal protective equipment in response to the COVID-19 crisis and a year-to-date adjustment to the government's current service costs for pensions and other employee future benefits in 2020–21 based on updated actuarial valuations.

Public debt charges decreased by $2.6 billion, or 19.9 per cent, largely reflecting lower Consumer Price Index adjustments on Real Return Bonds, lower interest on pension and benefit obligations, and lower interest on Government of Canada treasury bills.

Net actuarial losses increased by $2.3 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 due 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

	September			April to September		
	2019	2020	Change	2019–20	2020–21	Change
	($ millions)		(%)	($ millions)		(%)
Major transfers to persons						
Elderly benefits	4,625	4,901	6.0	27,581	29,203	5.9
Employment Insurance benefits[1]	1,477	3,558	140.9	9,043	35,384	291.3
Canada Emergency Response Benefit[1]	-	4,807	n/a	-	39,860	n/a
Children’s benefits	2,057	1,736	-15.6	12,094	14,223	17.6
Total major transfers to persons	8,159	15,002	83.9	48,718	118,670	143.6
Major transfers to other levels of government						
Canada Health Transfer	3,364	3,489	3.7	20,186	20,935	3.7
Canada Social Transfer	1,215	1,252	3.0	7,293	7,512	3.0
Equalization	1,653	1,714	3.7	9,922	10,286	3.7
Territorial Formula Financing	268	284	6.0	2,337	2,475	5.9
Gas Tax Fund	-	-	n/a	1,084	2,170	100.2
Home care and mental health	-	-	n/a	550	625	13.6
Other fiscal arrangements[2]	-474	13,259	2,697.3	-951	13,976	1,369.6
Total major transfers to other levels of government	6,026	19,998	231.9	40,421	57,979	43.4
Direct program expenses[3]						
Fuel charge proceeds returned	14	62	342.9	1,257	2,663	111.9
Canada Emergency Wage Subsidy	-	6,705	n/a	-	44,138	n/a
Other transfer payments	3,614	5,348	48.0	19,612	40,510	106.6
Operating expenses	6,994	7,611	8.8	41,504	44,908	8.2
Total direct program expenses	10,622	19,726	85.7	62,373	132,219	112.0
Total program expenses, excluding net actuarial losses[3]	24,807	54,726	120.6	151,512	308,868	103.9
Public debt charges	2,126	1,300	-38.9	12,976	10,390	-19.9
Total expenses, excluding net actuarial losses[3]	26,933	56,026	108.0	164,488	319,258	94.1
Net actuarial losses[3]	897	3,215	258.4	5,380	7,700	43.1
Total expenses	27,830	59,241	112.9	169,868	326,958	92.5

Note: Totals may not add due to rounding.

[1] 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.

[2] 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 Essential Workers Wage Top-Up; transfers under the safe restart framework; and, other items.

[3] 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

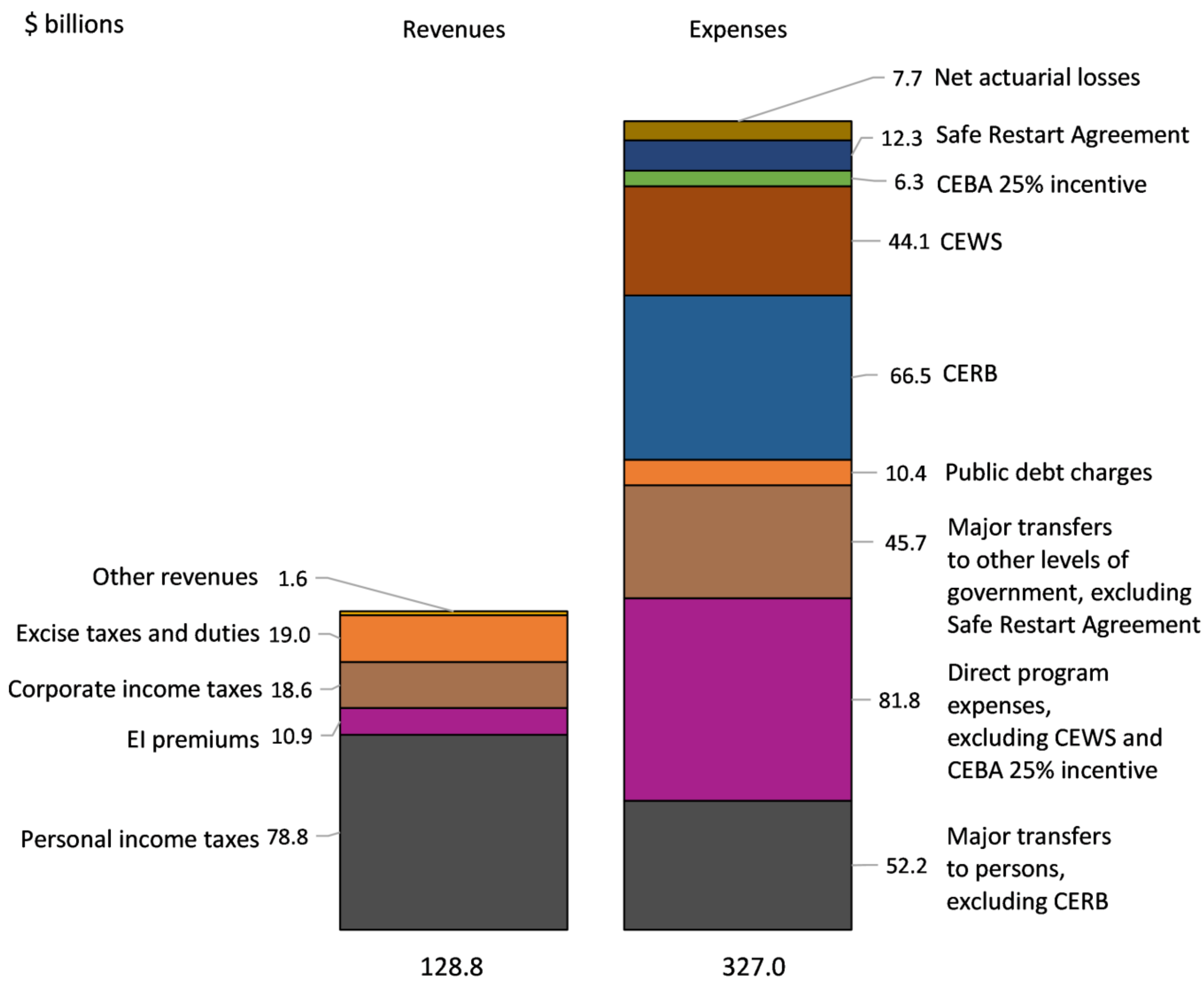
Total expenses by object of expense

	September			April to September		
	2019	**2020**	**Change**	**2019–20**	**2020–21**	**Change**
	($ millions)		**(%)**	**($ millions)**		**(%)**
Transfer payments	17,813	47,115	164.5	110,008	263,960	139.9
Other expenses						
Personnel, excluding net actuarial losses[1]	3,990	5,463	36.9	24,372	26,670	9.4
Transportation and communications	220	93	-57.7	1,252	805	-35.7
Information	26	25	-3.8	137	166	21.2
Professional and special services	955	1,108	16.0	4,711	4,611	-2.1
Rentals	228	262	14.9	1,533	1,655	8.0
Repair and maintenance	317	274	-13.6	1,358	1,174	-13.5
Utilities, materials and supplies	212	-541	-355.2	1,169	2,611	123.4
Other subsidies and expenses	611	484	-20.8	4,340	4,498	3.6
Amortization of tangible capital assets	427	436	2.1	2,562	2,669	4.2
Net loss on disposal of assets	8	7	-12.5	70	49	-30.0
Total other expenses	6,994	7,611	8.8	41,504	44,908	8.2
Total program expenses, excluding net actuarial losses[1]	24,807	54,726	120.6	151,512	308,868	103.9
Public debt charges	2,126	1,300	-38.9	12,976	10,390	-19.9
Total expenses, excluding net actuarial losses[1]	26,933	56,026	108.0	164,488	319,258	94.1
Net actuarial losses[1]	897	3,215	258.4	5,380	7,700	43.1
Total expenses	27,830	59,241	112.9	169,868	326,958	92.5

Note: Totals may not add due to rounding.

[1] 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 and expenses (April to September 2020)



Note: Totals may not add due to rounding.

Financial requirement of $252.5 billion for April to September 2020

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 $198.1 billion and a requirement of $54.4 billion from non-budgetary transactions, there was a financial requirement of $252.5 billion for the April to September 2020 period, compared to a financial requirement of $13.5 billion for the same period of the previous year.

The increased financial requirement for non-budgetary transactions for the April to September 2020 period was mainly driven by changes in accounts payable, accrued liabilities and accounts receivable; and loans, investments and advances. Changes to accounts payable, accrued liabilities and accounts receivable reflect a number of factors, including year-over-year changes in the balances of taxes receivable and amounts payable related to tax, while changes to loans, investments and advances largely reflect loans advanced under the CEBA program during this period.

Table 5

The budgetary balance and financial source/requirement

$ millions

	September		April to September	
	2019	**2020**	**2019–20**	**2020–21**
Budgetary balance (deficit/surplus)	-578	-27,593	-5,801	-198,110
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	3,353	1,634	-5,721	-40,144
Pensions, other future benefits, and other liabilities	901	3,657	5,396	8,027
Foreign exchange accounts	1,112	-2,573	185	325
Loans, investments and advances	-2,277	-2,987	-7,355	-21,032
Non-financial assets	-49	-1,523	-191	-1,589
Total non-budgetary transactions	3,040	-1,792	-7,686	-54,413
Financial source/requirement	2,462	-29,385	-13,487	-252,523

Note: Totals may not add due to rounding

Net financing activities up $296.1 billion

The government financed this financial requirement of $252.5 billion and increased cash balances by $43.5 billion by increasing unmatured debt by $296.1 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills and marketable bonds.

Cash balances at the end of September 2020 stood at $88.2 billion, up $43.5 billion from their level at the end of March 2020. The significant 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

	September		April to September	
	2019	**2020**	**2019–20**	**2020–21**
Financial source/requirement	2,462	-29,385	-13,487	-252,523
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-7,204	4,310	14,065	137,253
Treasury bills	-2,600	-19,000	-100	152,233
Retail debt	-14	-8	-115	-25
Total Canadian currency borrowings	-9,818	-14,698	13,850	289,461
Foreign currency borrowings	-792	627	-747	4,290
Total market debt transactions	-10,610	-14,071	13,103	293,751
Cross-currency swap revaluation	-518	1,092	-1,917	-4,770
Unamortized discounts and premiums on market debt	-163	1,409	222	7,216
Obligations related to capital leases and other unmatured debt	-15	-17	-814	-134
Net change in financing activities	-11,306	-11,587	10,594	296,063
Change in cash balance	-8,844	-40,972	-2,893	43,540
Cash balance at end of period			37,112	88,219

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 $202.5 billion over the April to September 2020 period, reflecting the $198.1-billion budgetary deficit and $4.4 billion in other comprehensive losses.

Table 7
Condensed statement of assets and liabilities
$ millions

	March 31, 2020	September 30, 2020	Change
Liabilities			
Accounts payable and accrued liabilities	163,833	178,758	14,925
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	596,864	734,117	137,253
Treasury bills	151,867	304,100	152,233
Retail debt	497	472	-25
Subtotal	749,228	1,038,689	289,461
Payable in foreign currencies	15,941	20,231	4,290
Cross-currency swap revaluation	10,592	5,822	-4,770
Unamortized discounts and premiums on market debt	2,487	9,703	7,216
Obligations related to capital leases and other unmatured debt	5,503	5,369	-134
Total unmatured debt	783,751	1,079,814	296,063
Pension and other liabilities			
Public sector pensions	168,596	168,229	-367
Other employee and veteran future benefits	126,378	134,780	8,402
Other liabilities	6,051	6,043	-8
Total pension and other liabilities	301,025	309,052	8,027
Total interest-bearing debt	1,084,776	1,388,866	304,090
Total liabilities	1,248,609	1,567,624	319,015
Financial assets			
Cash and accounts receivable	173,715	272,324	98,609
Foreign exchange accounts	104,903	104,578	-325
Loans, investments, and advances (net of allowances)[1]	152,502	169,159	16,657
Public sector pension assets	4,598	4,598	-
Total financial assets	435,718	550,659	114,941
Net debt	812,891	1,016,965	204,074
Non-financial assets	91,531	93,120	1,589
Federal debt (accumulated deficit)	721,360	923,845	202,485

Note: Totals may not add due to rounding.
[1] September 30, 2020 amount includes $4.4 billion in other comprehensive losses from enterprise Crown corporations and other government business enterprises for the April to September 2020 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 eligible for EI 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 to individuals eligible for EI were previously reported in *The Fiscal Monitor* within the line item titled “Canada Emergency Response Benefit”, but have been reclassified to the line item “Employment Insurance benefits”. CERB payments to individuals eligible for EI are charged to the EI Operating Account.

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

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