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Financial results for October 2020

Canada

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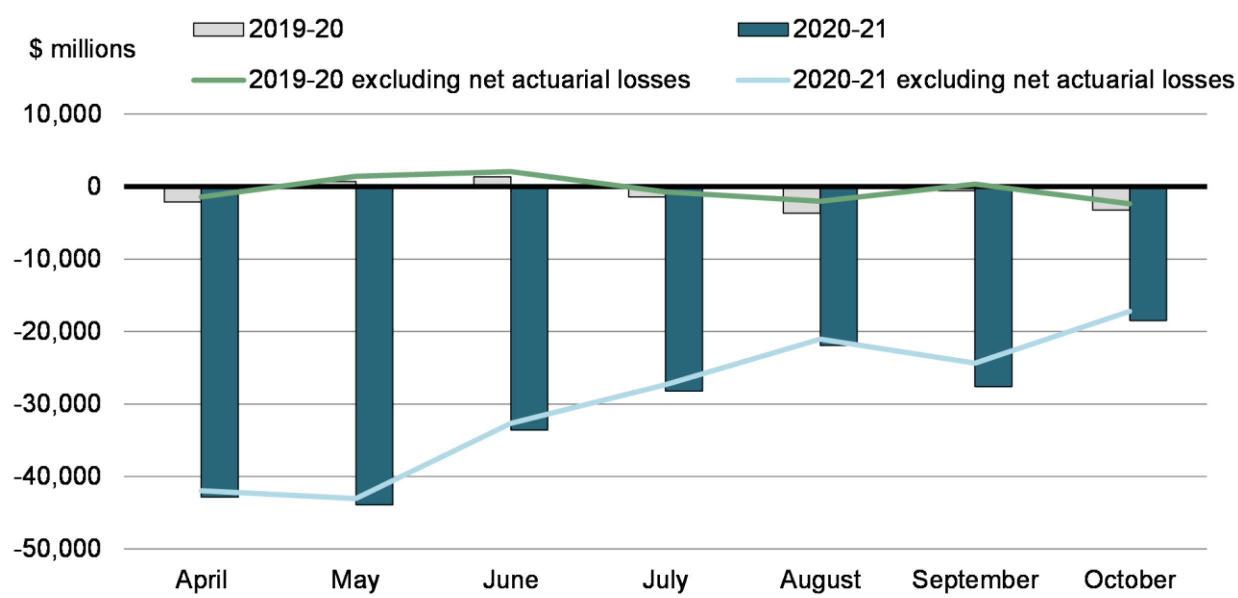
Highlights

October 2020

There was a budgetary deficit of $18.5 billion in October 2020, compared to a deficit of $3.3 billion in October 2019. The budgetary deficit before net actuarial losses was $17.2 billion, compared to a deficit of $2.4 billion in October 2019. 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.

Monthly Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses



Compared to October 2019:

- Revenues decreased by $1.4 billion, or 5.5 per cent, reflecting decreases in tax revenues and other revenues.
- Program expenses excluding net actuarial losses were up $13.7 billion, or 52.5 per cent, driven by increased transfers to businesses and individuals as part of the government's COVID-19 response measures.
- Public debt charges were down $0.2 billion, or 11.6 per cent, largely reflecting lower interest on Government of Canada treasury bills and on the government's pension and other employee future benefit obligations.
- 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 to October 2020

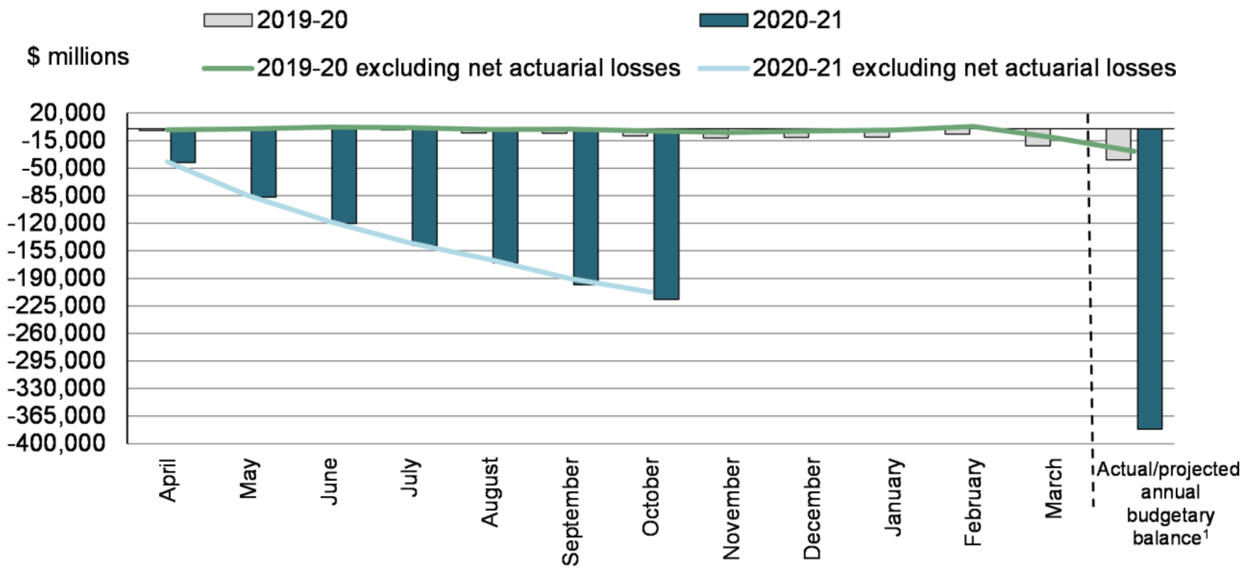
For the April to October period of the 2020–21 fiscal year, the government posted a budgetary deficit of $216.6 billion, compared to a deficit of $9.1 billion reported for the same period of 2019–20. The budgetary deficit before net actuarial losses was $207.6 billion, compared to a deficit of $2.8 billion 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 $36.6 billion, or 19.3 per cent, reflecting a broad-based reduction in revenues, including lower tax revenues and other revenues.
- Program expenses excluding net actuarial losses were up $171.0 billion, or 96.3 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 $2.8 billion, or 18.9 per cent, largely 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 $2.7 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.

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

	October		April to October	
	2019	**2020**	**2019–20**	**2020–21**
Budgetary transactions				
Revenues	25,465	24,067	189,532	152,915
Expenses				
Program expenses, excluding net actuarial losses[1]	-26,040	-39,714	-177,552	-348,582
Public debt charges	-1,782	-1,576	-14,757	-11,966
Budgetary balance, excluding net actuarial losses[1]	-2,357	-17,223	-2,777	-207,633
Net actuarial losses[1]	-897	-1,283	-6,277	-8,983
Budgetary balance (deficit/surplus)	-3,254	-18,506	-9,054	-216,616
Non-budgetary transactions	2,003	13,351	-5,681	-41,062
Financial source/requirement	-1,251	-5,155	-14,735	-257,678
Net change in financing activities	14,108	28,736	24,701	324,799
Net change in cash balances	12,857	23,581	9,966	67,121
Cash balance at end of period			49,969	111,801

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 October 2020 totalled $24.1 billion, down $1.4 billion, or 5.5 per cent, from October 2019.

- Tax revenues decreased by $0.4 billion, or 1.7 per cent, reflecting a broad-based decline across most of the major categories of tax revenues. This decline was partially offset by an increase in corporate income tax revenue, primarily due to the end of the tax deferral period on September 30.
- Employment Insurance (EI) premium revenues were up $28 million, or 2.4 per cent.
- Assessed fuel charge proceeds under the federal carbon pollution pricing system were up $0.1 billion, or 39.0 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 $1.1 billion, or 50.2 per cent. This decrease largely reflects lower profits from enterprise Crown corporations, particularly the Bank of Canada. 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 October period of 2020–21, revenues were $152.9 billion, down $36.6 billion, or 19.3 per cent, from the same period the previous year.

- Tax revenues decreased by $17.7 billion, or 11.1 per cent, driven largely by declines in GST and corporate income tax 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 $25 million to $48 million over the April to October period.
- EI premium revenues were down $0.4 billion, or 2.8 per cent.
- Assessed fuel charge proceeds were up $1.4 billion, or 195.8 per cent.
- Other revenues were down $20.0 billion, or 117.7 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

	October		Change	April to October		Change
	2019	2020		2019–20	2020–21	
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	12,601	12,313	-2.3	92,102	91,136	-1.0
Corporate	2,862	3,860	34.9	26,868	22,425	-16.5
Non-resident	1,170	674	-42.4	5,216	4,409	-15.5
Total income tax revenues	16,633	16,847	1.3	124,186	117,970	-5.0
Other taxes and duties						
Goods and Services Tax	3,860	3,453	-10.5	24,628	15,188	-38.3
Energy taxes	506	465	-8.1	3,381	2,827	-16.4
Customs import duties	413	418	1.2	3,222	2,310	-28.3
Other excise taxes and duties	492	346	-29.7	3,938	3,328	-15.5
Total excise taxes and duties	5,271	4,682	-11.2	35,169	23,653	-32.7
Total tax revenues	21,904	21,529	-1.7	159,355	141,623	-11.1
Fuel charge proceeds	159	221	39.0	731	2,162	195.8
Employment Insurance premiums	1,186	1,214	2.4	12,489	12,138	-2.8
Other revenues	2,216	1,103	-50.2	16,957	-3,008	-117.7
Total revenues	25,465	24,067	-5.5	189,532	152,915	-19.3

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), the Canada Emergency Commercial Rent Assistance (CECRA) program, and the Canada Recovery Benefits. Further information regarding these measures is provided below.

Program expenses excluding net actuarial losses in October 2020 were $39.7 billion, up $13.7 billion, or 52.5 per cent, from October 2019.

- Major transfers to persons, consisting of elderly benefits, EI benefits, the CERB and Canada Recovery Benefits, and children's benefits, were up $5.1 billion or 64.3 per cent.
  - Elderly benefits increased by $0.2 billion, or 3.2 per cent, due to an increase in the average benefit and growth in the number of recipients.
  - EI benefits increased by $2.9 billion, or 255.1 per cent, reflecting higher unemployment from the crisis, temporary changes to the EI program to improve access, and $1.0 billion in CERB benefits to individuals eligible for EI.
  - CERB benefits to those individuals not eligible for EI and Canada Recovery Benefits payments totalled $2.0 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 up $0.1 billion, or 3.1 per cent.

- Major transfers to other levels of government were down $0.1 billion, or 0.9 per cent, largely due to a timing difference in Gas Tax Fund payments, as payments for 2020-21 were made earlier this fiscal year. This decrease more than offset legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories.
- Direct program expenses were up $8.6 billion, or 73.4 per cent. Within direct program expenses:
  - Fuel charge proceeds returned increased by $44 million, or 440.0 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 $5.9 billion in payments to eligible employers under Canada's COVID-19 Economic Response Plan.
  - Other transfer payments increased by $3.2 billion, or 83.3 per cent, reflecting a number of COVID-19 response measures, including additional funding and the accelerated timing of payments under Workforce Development Agreements with provinces and territories; one-time payments to help Canadians with disabilities with extraordinary expenses they have incurred during the COVID-19 pandemic; and relief provided under the CECRA program.
  - Operating expenses of the government's departments, agencies and consolidated Crown corporations and other entities decreased by $0.5 billion, or 5.6 per cent, reflecting a number of factors, including adjustments to provisions for contingent liabilities in the prior year, timing factors, and costs associated with the general election held in October 2019.

Public debt charges decreased by $0.2 billion, or 11.6 per cent, reflecting lower interest on Government of Canada treasury bills, as well as lower interest on the government's pension and other employee future benefit obligations due to 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 $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 October period of 2020–21, program expenses excluding net actuarial losses were $348.6 billion, up $171.0 billion, or 96.3 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 $75.0 billion or 132.5 per cent.
  - Elderly benefits increased by $1.8 billion, or 5.5 per cent, reflecting growth in the number of recipients and an increase in the average benefit.
  - EI benefits increased by $29.3 billion, or 287.2 per cent, due to higher unemployment resulting from the crisis and temporary changes to the EI program to improve access. EI benefits included $27.6 billion in CERB benefits paid to individuals eligible for EI.
  - CERB payments to those individuals not eligible for EI and Canada Recovery Benefits totalled $41.8 billion.
  - Children's benefits were up $2.2 billion, or 15.5 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 $17.5 billion, or 37.4 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 $78.5 billion, or 105.9 per cent. Within direct program expenses:
  - Fuel charge proceeds returned increased by $1.5 billion, or 114.4 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 $50.0 billion in payments.
  - Other transfer payments increased by $24.1 billion, or 102.8 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 $3.0 billion, or 6.0 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 $2.8 billion, or 18.9 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 $2.7 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

	October			April to October		
	2019	2020	Change	2019–20	2020–21	Change
	($ millions)		(%)	($ millions)		(%)
Major transfers to persons						
Elderly benefits	4,759	4,912	3.2	32,340	34,115	5.5
Employment Insurance benefits[1]	1,146	4,069	255.1	10,189	39,453	287.2
Canada Emergency Response Benefit and Canada Recovery Benefits[1]	-	1,958	n/a	-	41,818	n/a
Children's benefits	2,025	2,087	3.1	14,118	16,310	15.5
Total major transfers to persons	7,930	13,026	64.3	56,647	131,696	132.5
Major transfers to other levels of government						
Canada Health Transfer	3,364	3,489	3.7	23,551	24,424	3.7
Canada Social Transfer	1,215	1,252	3.0	8,508	8,764	3.0
Equalization	1,653	1,714	3.7	11,575	12,001	3.7
Territorial Formula Financing	268	284	6.0	2,606	2,759	5.9
Gas Tax Fund	324	-	-100.0	1,408	2,170	54.1
Home care and mental health	-	-	n/a	550	625	13.6
Other fiscal arrangements[2]	-481	-452	6.0	-1,432	13,523	844.3
Total major transfers to other levels of government	6,343	6,287	-0.9	46,766	64,266	37.4
Direct program expenses[3]						
Fuel charge proceeds returned	10	54	440.0	1,267	2,717	114.4
Canada Emergency Wage Subsidy	-	5,886	n/a	-	50,023	n/a
Other transfer payments	3,785	6,939	83.3	23,397	47,450	102.8
Operating expenses	7,972	7,522	-5.6	49,475	52,430	6.0
Total direct program expenses	11,767	20,401	73.4	74,139	152,620	105.9
Total program expenses, excluding net actuarial losses[3]	26,040	39,714	52.5	177,552	348,582	96.3
Public debt charges	1,782	1,576	-11.6	14,757	11,966	-18.9
Total expenses, excluding net actuarial losses[3]	27,822	41,290	48.4	192,309	360,548	87.5
Net actuarial losses[3]	897	1,283	43.0	6,277	8,983	43.1
Total expenses	28,719	42,573	48.2	198,586	369,531	86.1

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.

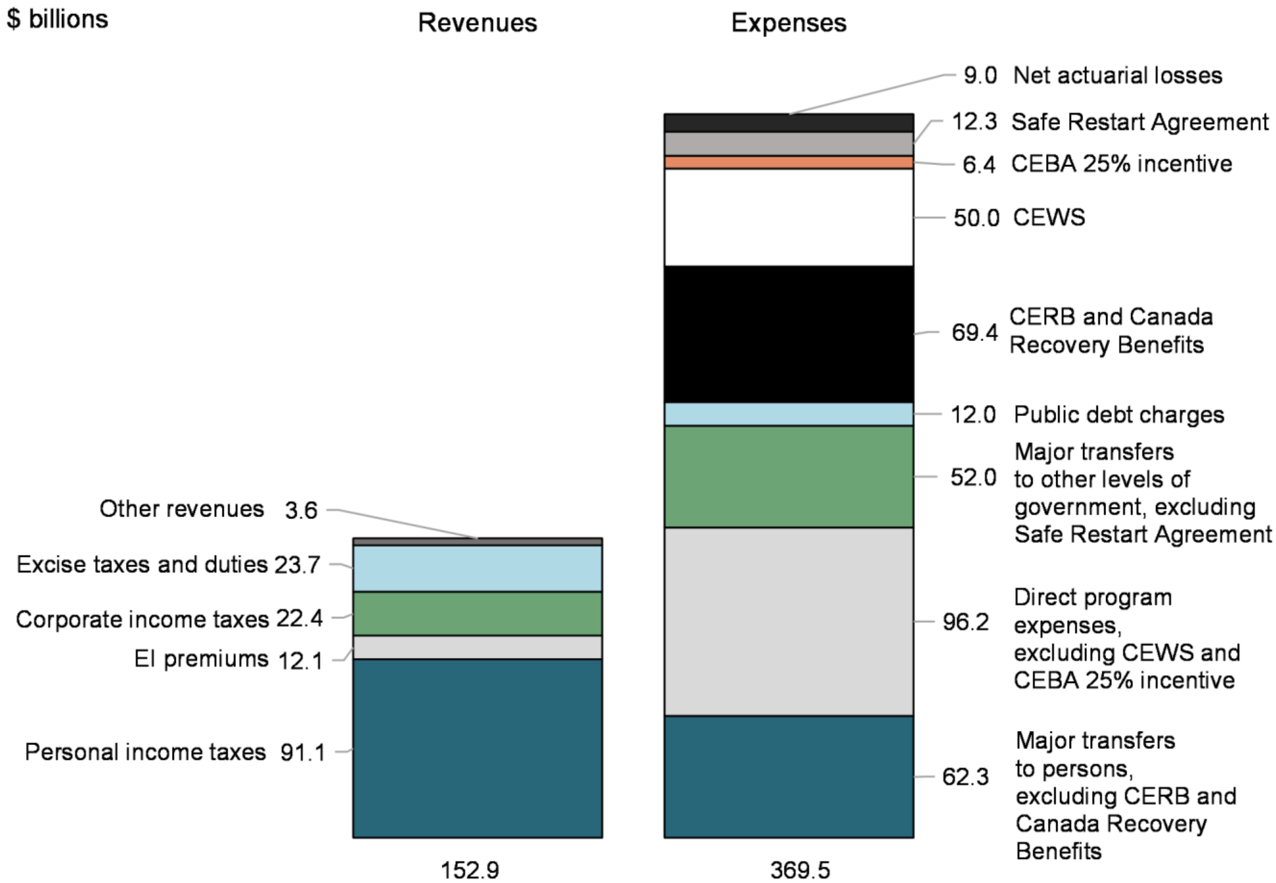
Table 4
Total expenses by object of expense

	October			April to October		
	2019	2020	Change	2019–20	2020–21	Change
	($ millions)		(%)	($ millions)		(%)
Transfer payments	18,068	32,192	78.2	128,077	296,152	131.2
Other expenses						
Personnel, excluding net actuarial losses[1]	4,506	4,534	0.6	28,876	31,205	8.1
Transportation and communications	268	172	-35.8	1,520	977	-35.7
Information	28	23	-17.9	165	189	14.5
Professional and special services	1,067	1,070	0.3	5,778	5,682	-1.7
Rentals	317	276	-12.9	1,850	1,931	4.4
Repair and maintenance	302	281	-7.0	1,661	1,455	-12.4
Utilities, materials and supplies	221	478	116.3	1,390	3,088	122.2
Other subsidies and expenses	813	203	-75.0	5,153	4,701	-8.8
Amortization of tangible capital assets	427	477	11.7	2,989	3,146	5.3
Net loss on disposal of assets	23	8	-65.2	93	56	-39.8
Total other expenses	7,972	7,522	-5.6	49,475	52,430	6.0
Total program expenses, excluding net actuarial losses[1]	26,040	39,714	52.5	177,552	348,582	96.3
Public debt charges	1,782	1,576	-11.6	14,757	11,966	-18.9
Total expenses, excluding net actuarial losses[1]	27,822	41,290	48.4	192,309	360,548	87.5
Net actuarial losses[1]	897	1,283	43.0	6,277	8,983	43.1
Total expenses	28,719	42,573	48.2	198,586	369,531	86.1

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 October 2020)



Note: Totals may not add due to rounding.

Financial requirement of $257.7 billion for April to October 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 $216.6 billion and a requirement of $41.1 billion from non-budgetary transactions, there was a financial requirement of $257.7 billion for the April to October 2020 period, compared to a financial requirement of $14.7 billion for the same period of the previous year.

The increased financial requirement for non-budgetary transactions for the April to October 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

	October		April to October	
	2019	**2020**	**2019–20**	**2020–21**
Budgetary balance (deficit/surplus)	-3,254	-18,506	-9,054	-216,616
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	2,704	16,168	-3,017	-23,975
Pensions, other future benefits, and other liabilities	844	1,155	6,240	9,181
Foreign exchange accounts	119	-1,395	305	-1,070
Loans, investments and advances	-1,387	-2,235	-8,741	-23,267
Non-financial assets	-277	-342	-468	-1,931
Total non-budgetary transactions	2,003	13,351	-5,681	-41,062
Financial source/requirement	-1,251	-5,155	-14,735	-257,678

Note: Totals may not add due to rounding.

Net financing activities up $324.8 billion

The government financed this financial requirement of $257.7 billion and increased cash balances by $67.1 billion by increasing unmatured debt by $324.8 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills and marketable bonds.

Cash balances at the end of October 2020 stood at $111.8 billion, up $67.1 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

	October		April to October	
	2019	2020	2019–20	2020–21
Financial source/requirement	-1,251	-5,155	-14,735	-257,678
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	11,150	54,906	25,214	192,159
Treasury bills	2,800	-26,800	2,700	125,433
Retail debt	-11	-4	-126	-29
Total Canadian currency borrowings	13,939	28,102	27,788	317,563
Foreign currency borrowings	-35	281	-782	4,571
Total market debt transactions	13,904	28,383	27,006	322,134
Cross-currency swap revaluation	290	-63	-1,627	-4,833
Unamortized discounts and premiums on market debt	-65	434	157	7,650
Obligations related to capital leases and other unmatured debt	-21	-18	-835	-152
Net change in financing activities	14,108	28,736	24,701	324,799
Change in cash balance	12,857	23,581	9,966	67,121
Cash balance at end of period			49,969	111,801

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 $221.0 billion over the April to October 2020 period, reflecting the $216.6-billion budgetary deficit and $4.4 billion in other comprehensive losses.

Table 7

Condensed statement of assets and liabilities

$ millions

	March 31, 2020	October 31, 2020	Change
Liabilities			
Accounts payable and accrued liabilities	163,833	192,312	28,479
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	596,864	789,023	192,159
Treasury bills	151,867	277,300	125,433
Retail debt	497	468	-29
Subtotal	749,228	1,066,791	317,563
Payable in foreign currencies	15,941	20,512	4,571
Cross-currency swap revaluation	10,592	5,759	-4,833
Unamortized discounts and premiums on market debt	2,487	10,137	7,650
Obligations related to capital leases and other unmatured debt	5,503	5,351	-152
Total unmatured debt	783,751	1,108,550	324,799
Pension and other liabilities			
Public sector pensions	168,596	168,050	-546
Other employee and veteran future benefits	126,378	136,179	9,801
Other liabilities	6,051	5,977	-74
Total pension and other liabilities	301,025	310,206	9,181
Total interest-bearing debt	1,084,776	1,418,756	333,980
Total liabilities	1,248,609	1,611,068	362,459
Financial assets			
Cash and accounts receivable	173,715	293,290	119,575
Foreign exchange accounts	104,903	105,973	1,070
Loans, investments, and advances (net of allowances)[1]	152,502	171,392	18,890
Public sector pension assets	4,598	4,598	0
Total financial assets	435,718	575,253	139,535
Net debt	812,891	1,035,815	222,924
Non-financial assets	91,531	93,462	1,931
Federal debt (accumulated deficit)	721,360	942,353	220,993

Note: Totals may not add due to rounding.

[1] October 31, 2020 amount includes $4.4 billion in other comprehensive losses from enterprise Crown corporations and other government business enterprises for the April to October 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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