



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for June 2024

Canada

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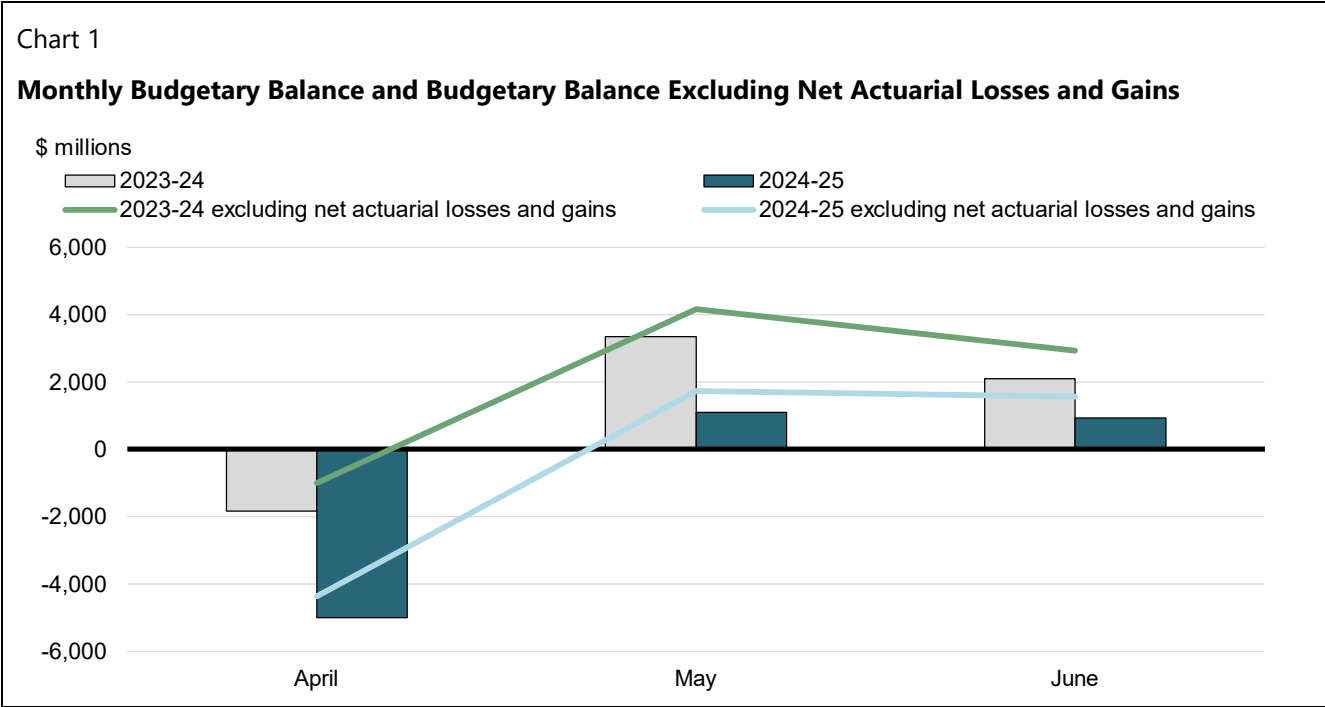
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Highlights

June 2024

There was a budgetary surplus of \$0.9 billion in June 2024, compared to a surplus of \$2.1 billion in June 2023. The budgetary surplus before net actuarial losses and gains was \$1.6 billion, compared to a surplus of \$2.9 billion in the same period of 2023-24. The budgetary balance before net actuarial losses and gains 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 and gains arising from the revaluation of the government’s pension and other employee future benefit plans.



Compared to June 2023:

- Revenues increased by \$3.2 billion, or 8.5 per cent, in large part reflecting higher income tax revenues.
- Program expenses excluding net actuarial losses were up \$3.7 billion, or 12.1 per cent, reflecting increases in direct program expenses, major transfers to provinces, territories and municipalities, and major transfers to persons.
- Public debt charges were up \$0.8 billion, or 22.2 per cent, largely reflecting higher interest on marketable bonds and treasury bills.
- Net actuarial losses were down \$0.2 billion, or 23.2 per cent, largely reflecting the amortization of gains due to higher discount rates arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

April to June 2024

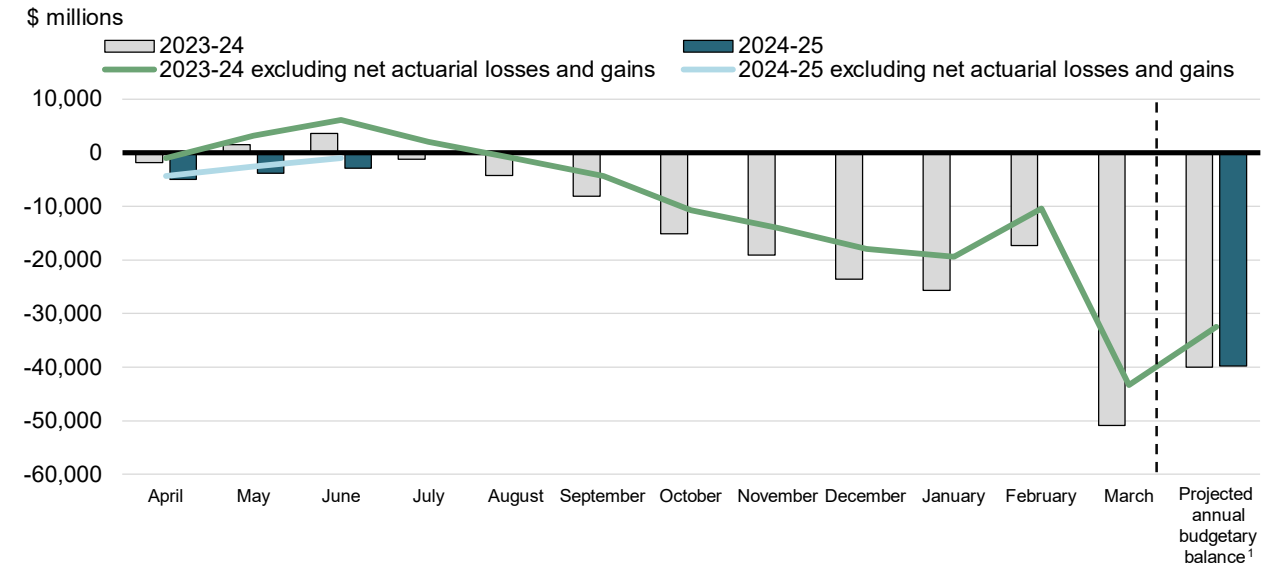
The government posted a budgetary deficit of \$2.9 billion for the April to June period of the 2024-25 fiscal year, compared to a surplus of \$3.6 billion reported for the same period of 2023-24. The budgetary deficit before net actuarial losses was \$1.0 billion, compared to a surplus of \$6.1 billion in the April to June period of 2023-24.

Compared to 2023-24:

- Revenues were up \$9.8 billion, or 8.9 per cent, largely reflecting higher personal income tax revenue, corporate income tax revenue, Goods and Services Tax revenue, and other revenues.
- Program expenses excluding net actuarial losses were up \$13.7 billion, or 14.6 per cent, in large part reflecting higher transfer payments due to growth in statutory payments, year-over-year timing differences, and new and enhanced programming, such as funding to help communities adapt to climate change.
- Public debt charges increased by \$3.2 billion, or 29.7 per cent, largely reflecting higher interest on marketable bonds and treasury bills.
- Net actuarial losses decreased by \$0.6 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

Chart 2

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



¹Source: Budget 2024.

Table 1

Summary statement of transactions

\$ millions

	June		April to June	
	2023	2024	2023-24	2024-25
Budgetary transactions				
Revenues	37,617	40,826	110,579	120,388
Expenses				
Program expenses, excluding net actuarial losses	-30,917	-34,643	-93,809	-107,518
Public debt charges	-3,775	-4,614	-10,686	-13,862
Budgetary balance, excluding net actuarial losses	2,925	1,569	6,084	-992
Net actuarial losses	-820	-630	-2,460	-1,890
Budgetary balance (deficit/surplus)	2,105	939	3,624	-2,882
Non-budgetary transactions	-11,490	-10,216	-33,045	-33,642
Financial source/requirement	-9,385	-9,277	-29,421	-36,524
Net change in financing activities	-6,116	1,853	31,767	10,656
Net change in cash balances	-15,501	-7,424	2,346	-25,868
Cash balance at end of period			44,143	40,788

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

Revenues

Revenues in June 2024 totalled \$40.8 billion, up \$3.2 billion, or 8.5 per cent, from June 2023.

- Tax revenues increased by \$2.2 billion, or 7.1 per cent, compared to the same period in 2023-24, largely as a result of higher personal income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$0.3 billion, or 40.4 per cent, reflecting in part higher carbon pollution pricing in 2024-25. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Employment Insurance (EI) premium revenues were up \$0.3 billion, or 11.4 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$0.4 billion, or 11.1 per cent, largely reflecting higher net foreign exchange revenues.

Revenues for the April to June period of 2024-25 totalled \$120.4 billion, up \$9.8 billion, or 8.9 per cent, from the same period in 2023-24.

- Tax revenues increased by \$6.7 billion, or 7.4 per cent, compared to the same period in 2023-24, owing largely to higher revenue from personal income tax, corporate income tax, and the Goods and Services Tax.
- Pollution pricing proceeds to be returned to Canadians were up \$0.8 billion, or 33.3 per cent, reflecting higher carbon pollution pricing in 2024-25.
- EI premium revenues were up \$0.9 billion, or 10.6 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$1.5 billion, or 15.6 per cent, largely reflecting higher revenues from sales of goods and services, and higher net foreign exchange revenues.

Table 2

Revenues

	June			April to June		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	16,601	18,256	10.0	49,284	52,779	7.1
Corporate	7,414	7,829	5.6	20,210	21,855	8.1
Non-resident	897	1,012	12.8	3,117	3,483	11.7
Total income tax revenues	24,912	27,097	8.8	72,611	78,117	7.6
Other taxes and duties						
Goods and Services Tax	4,231	4,310	1.9	13,641	14,924	9.4
Energy taxes	432	448	3.7	1,164	1,293	11.1
Customs import duties	523	419	-19.9	1,425	1,261	-11.5
Other excise taxes and duties	618	630	1.9	1,733	1,656	-4.4
Total other taxes and duties	5,804	5,807	0.1	17,963	19,134	6.5
Total tax revenues	30,716	32,904	7.1	90,574	97,251	7.4
Pollution pricing proceeds to be returned to Canadians	846	1,188	40.4	2,341	3,121	33.3
Employment Insurance premiums	2,578	2,872	11.4	8,134	8,999	10.6
Other revenues	3,477	3,862	11.1	9,530	11,017	15.6
Total revenues	37,617	40,826	8.5	110,579	120,388	8.9

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses in June 2024 were \$34.6 billion, up \$3.7 billion, or 12.1 per cent, from June 2023.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$0.8 billion or 8.6 per cent.
 - Elderly benefits increased by \$0.5 billion, or 7.6 per cent, largely reflecting changes in consumer prices to which benefits are fully indexed, and growth in the number of recipients.
 - EI benefits decreased by \$31 million, or 2.1 per cent.
 - COVID-19 income support for workers increased \$0.2 billion, or 83.6 per cent, reflecting a decrease in redeterminations of benefits, which are accounted for as a reduction in expenses.
 - Children's benefits were up \$0.2 billion, or 9.7 per cent, mainly reflecting the indexation of benefits to consumer prices, and an increase in the number of eligible children.
- Major transfers to provinces, territories and municipalities were up \$1.1 billion, or 15.3 per cent, reflecting a year-over-year difference in the timing of Canada-wide early learning and child care transfers, as well as legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories.
- Pollution pricing proceeds returned to Canadians decreased by \$0.1 billion, or 38.1 per cent.
- Direct program expenses were up \$1.9 billion, or 13.9 per cent. Within direct program expenses:
 - Other transfer payments increased by \$2.0 billion, or 46.8 per cent, primarily reflecting increased transfers with respect to Indigenous Peoples.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities decreased by \$0.1 billion, or 1.2 per cent.

Public debt charges increased \$0.8 billion, or 22.2 per cent, largely reflecting higher interest on marketable bonds and treasury bills.

Net actuarial losses, which represent the amortization of changes in the value of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years and related assets, were down \$0.2 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

For the April to June period of 2024-25, program expenses excluding net actuarial losses were \$107.5 billion, up \$13.7 billion, or 14.6 per cent, from the same period the previous year.

- Major transfers to persons were up \$3.4 billion or 12.1 per cent.
 - Elderly benefits increased by \$1.4 billion, or 7.4 per cent, largely reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
 - EI benefits increased by \$0.5 billion, or 10.4 per cent, largely reflecting the higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$0.9 billion, or 81.5 per cent, reflecting a decrease in redeterminations of benefits.
 - Children's benefits were up \$0.7 billion, or 10.7 per cent, mainly reflecting the indexation of benefits to consumer prices, and an increase in the number of eligible children.
- Major transfers to provinces, territories and municipalities were up \$4.1 billion, or 18.1 per cent, reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and

transfers to the territories, and year-over-year differences in the timing of Canada-wide early learning and child care transfers and payments under health agreements. The latter includes transfers under new tailored bilateral agreements with provinces and territories on shared health priorities, which were made towards the end of the previous fiscal year, although total annual transfers are expected to be similar in both years.

- Pollution pricing proceeds returned to Canadians increased by \$0.3 billion, or 12.5 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate (previously known as the Climate Action Incentive).
- Direct program expenses were up \$5.9 billion, or 14.5 per cent. Within direct program expenses:
 - Other transfer payments increased by \$5.0 billion, or 34.0 per cent, reflecting a number of factors including higher transfers with respect to Indigenous Peoples, funding for the Local Leadership for Climate Adaptation initiative to help communities adapt to climate change, an increase in payments for the Canada Greener Homes Grant, and an increase in Canada Workers Benefit payments.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.9 billion, or 3.5 per cent, largely reflecting an increase in personnel costs and year-over-year timing differences of consolidated Crown corporations' expenses, offset in part by lower public health expenses.

Public debt charges increased by \$3.2 billion, or 29.7 per cent, largely reflecting higher interest on marketable bonds and treasury bills.

Net actuarial losses decreased by \$0.6 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

Table 3

Expenses

	June			April to June		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,187	6,657	7.6	18,447	19,811	7.4
Employment Insurance benefits	1,478	1,447	-2.1	4,670	5,156	10.4
COVID-19 income support for workers ¹	-214	-35	83.6	-1,116	-206	81.5
Children's benefits	2,097	2,300	9.7	6,227	6,896	10.7
Total major transfers to persons	9,548	10,369	8.6	28,228	31,657	12.1
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,118	4,340	5.4	12,355	13,020	5.4
Canada Social Transfer	1,368	1,409	3.0	4,104	4,227	3.0
Equalization	1,997	2,104	5.4	5,990	6,313	5.4
Territorial Formula Financing	329	351	6.7	1,876	2,002	6.7
Canada-wide early learning and child care	-	740	n/a	-	740	n/a
Canada Community-Building Fund	-	-	n/a	-	-	n/a
Health agreements with provinces/territories ²	-	-	n/a	-	2,186	n/a
Other fiscal arrangements ³	-587	-615	-4.8	-1,777	-1,861	-4.7
Total major transfers to provinces, territories and municipalities	7,225	8,329	15.3	22,548	26,627	18.1
Pollution pricing proceeds returned to Canadians	328	203	-38.1	2,451	2,758	12.5
Direct program expenses						
Other transfer payments	4,355	6,394	46.8	14,716	19,714	34.0
Operating expenses	9,461	9,348	-1.2	25,866	26,762	3.5
Total direct program expenses	13,816	15,742	13.9	40,582	46,476	14.5
Total program expenses, excluding net actuarial losses	30,917	34,643	12.1	93,809	107,518	14.6
Public debt charges	3,775	4,614	22.2	10,686	13,862	29.7
Total expenses, excluding net actuarial losses	34,692	39,257	13.2	104,495	121,380	16.2
Net actuarial losses	820	630	-23.2	2,460	1,890	-23.2
Total expenses	35,512	39,887	12.3	106,955	123,270	15.3

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 Health agreements with provinces and territories include the *Working Together* bilateral agreements and *Aging with Dignity* bilateral agreements. Remaining funding under the *Home and Community Care*, and *Mental Health and Addictions Services* bilateral agreements were integrated into these agreements.

³ Other fiscal arrangements include the Quebec Abatement (Youth Allowances Recovery and Alternative Payments for Standing Programs), which represents a recovery from Quebec of a tax point transfer; statutory subsidies; and other items.

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

Table 4

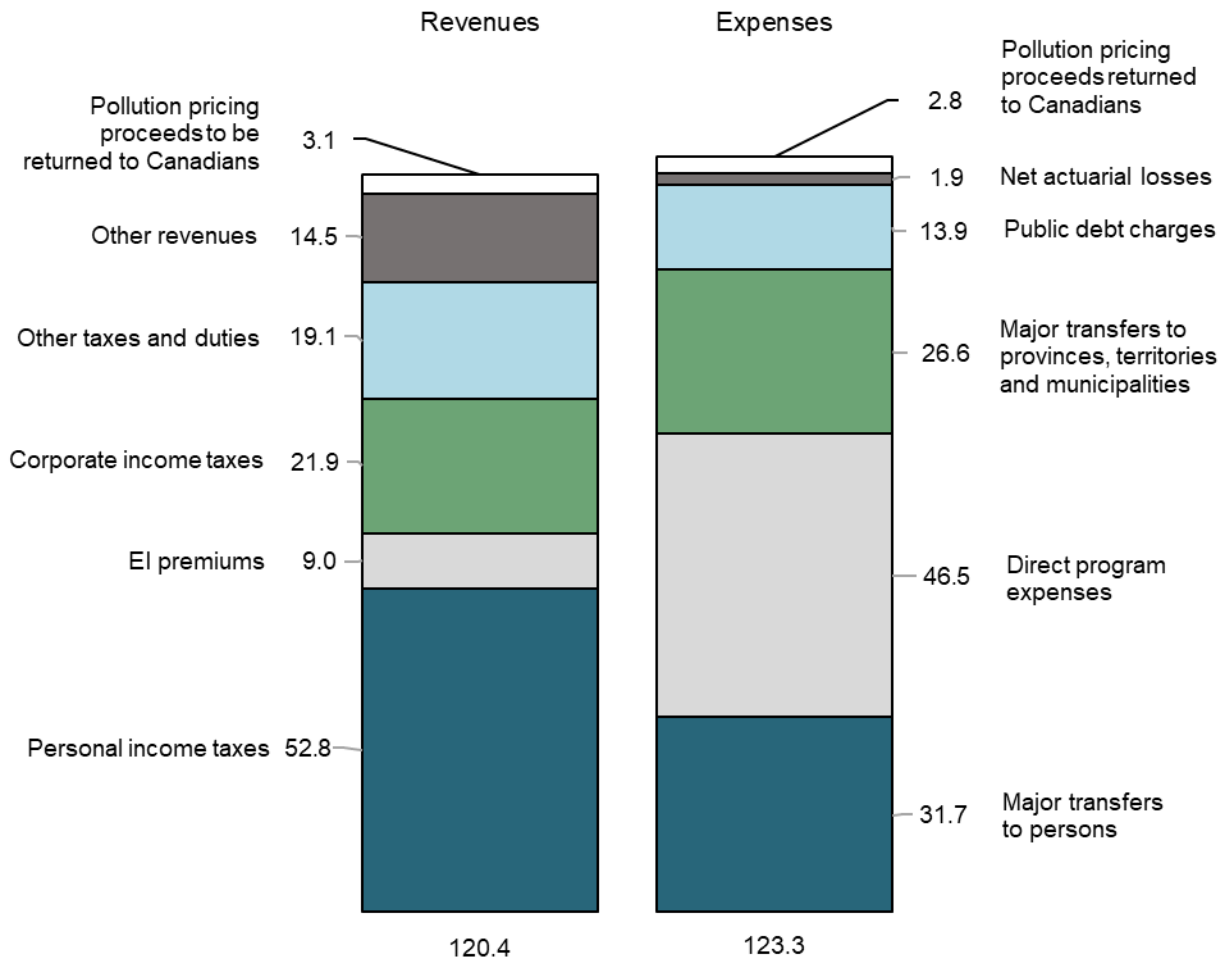
Total expenses by object of expense

	June			April to June		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	21,456	25,295	17.9	67,943	80,756	18.9
Other expenses						
Personnel, excluding net actuarial losses	5,578	5,565	-0.2	15,967	17,039	6.7
Transportation and communications	282	261	-7.4	578	588	1.7
Information	23	24	4.3	59	62	5.1
Professional and special services	1,435	1,578	10.0	2,754	3,145	14.2
Rentals	332	451	35.8	1,147	1,203	4.9
Repair and maintenance	296	280	-5.4	607	596	-1.8
Utilities, materials and supplies	497	256	-48.5	1,010	666	-34.1
Other subsidies and expenses	576	481	-16.5	2,418	2,113	-12.6
Amortization of tangible capital assets	433	442	2.1	1,304	1,327	1.8
Net loss on disposal of assets	9	10	11.1	22	23	4.5
Total other expenses	9,461	9,348	-1.2	25,866	26,762	3.5
Total program expenses, excluding net actuarial losses	30,917	34,643	12.1	93,809	107,518	14.6
Public debt charges	3,775	4,614	22.2	10,686	13,862	29.7
Total expenses, excluding net actuarial losses	34,692	39,257	13.2	104,495	121,380	16.2
Net actuarial losses	820	630	-23.2	2,460	1,890	-23.2
Total expenses	35,512	39,887	12.3	106,955	123,270	15.3

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to June 2024)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$36.5 billion for April to June 2024

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 \$2.9 billion and a requirement of \$33.6 billion from non-budgetary transactions, there was a financial requirement of \$36.5 billion for the April to June 2024 period, compared to a financial requirement of \$29.4 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	June		April to June	
	2023	2024	2023-24	2024-25
Budgetary balance (deficit/surplus)	2,105	939	3,624	-2,882
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-10,650	-5,485	-25,335	-16,200
Pensions, other future benefits, and other liabilities	1,069	1,090	2,739	2,157
Foreign exchange accounts and derivatives	-784	-300	-8,351	-7,758
Loans, investments and advances	-914	-4,667	-2,092	-10,789
Non-financial assets	-211	-854	-6	-1,052
Total non-budgetary transactions	-11,490	-10,216	-33,045	-33,642
Financial source/requirement	-9,385	-9,277	-29,421	-36,524

Note: Totals may not add due to rounding.

Net financing activities up \$10.7 billion

The government financed this financial requirement of \$36.5 billion by drawing down cash balances by \$25.9 billion and increasing unmatured debt by \$10.7 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills.

Cash balances at the end of June 2024 stood at \$40.8 billion, down \$3.4 billion from their level at the end of June 2023.

Table 6

Financial source/requirement and net financing activities

\$ millions

	June		April to June	
	2023	2024	2023-24	2024-25
Financial source/requirement	-9,385	-9,277	-29,421	-36,524
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-3,346	1,208	-413	-8,645
Treasury bills	-2,676	379	25,650	14,040
Total Canadian currency borrowings	-6,022	1,587	25,237	5,395
Foreign currency borrowings	-75	285	6,599	5,348
Total market debt transactions	-6,097	1,872	31,836	10,743
Obligations related to capital leases and other unmaturred debt	-19	-19	-69	-87
Net change in financing activities	-6,116	1,853	31,767	10,656
Change in cash balance	-15,501	-7,424	2,346	-25,868
Cash balance at end of period			44,143	40,788

Note: Totals may not add due to rounding.

Notes

1. *The Fiscal Monitor* is a report on the consolidated financial results of the Government of Canada, prepared monthly by the Department of Finance Canada. The government is committed to releasing *The Fiscal Monitor* on a timely basis in accordance with the International Monetary Fund's Special Data Dissemination Standards Plus, which are designed to promote member countries' data transparency and promote the development of sound statistical systems.
2. The financial results reported in *The Fiscal Monitor* are drawn from the accounts of Canada, which are maintained by the Receiver General and used to prepare the annual *Public Accounts of Canada*.
3. *The Fiscal Monitor* is generally prepared in accordance with the same accounting policies as used to prepare the government's annual consolidated financial statements, which are summarized in Section 2 of Volume I of the *Public Accounts of Canada*, available through the Public Services and Procurement Canada website.
4. The financial results presented in *The Fiscal Monitor* have not been audited or reviewed by an external auditor.
5. There can be substantial volatility in monthly results due to the timing of revenue receipts and expense recognition. For instance, a large share of government spending is typically reported in the March *Fiscal Monitor*.
6. The April to March results reported in *The Fiscal Monitor* are not the final results for the fiscal year as a whole. The final results are published in the annual *Public Accounts of Canada* and incorporate post-March end-of-year adjustments made once further information becomes available, including the accrual of tax revenues reflecting assessments of tax returns and valuation adjustments for assets and liabilities. Post-March adjustments may also include the accrual of measures announced in the budget that are recorded upon receipt of Royal Assent of enabling legislation.
7. Table 7, Condensed Statement of Assets and Liabilities, is included in the monthly *Fiscal Monitor* following the finalization and publication of the government's financial results for the preceding fiscal year, typically in the fall.

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

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August 2024