



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for July 2024

Canada

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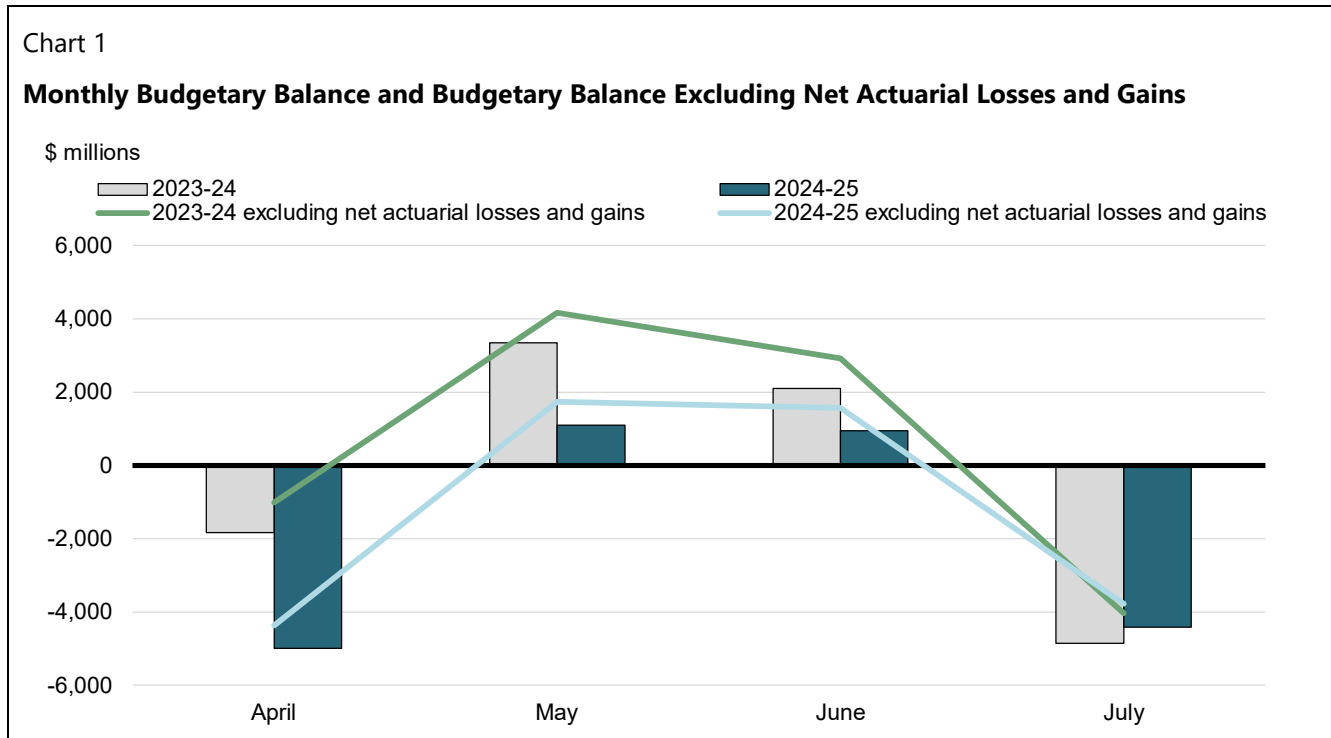
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Highlights

July 2024

There was a budgetary deficit of \$4.4 billion in July 2024, compared to a deficit of \$4.9 billion in July 2023. The budgetary deficit before net actuarial losses and gains was \$3.8 billion, compared to a deficit of \$4.0 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 July 2023:

- Revenues increased by \$5.1 billion, or 14.3 per cent, reflecting increases across all categories of revenue.
- Program expenses excluding net actuarial losses were up \$3.8 billion, or 10.7 per cent, reflecting increases across all major categories of expenses, led by major transfers to persons and direct program expenses.
- Public debt charges were up \$1.0 billion, or 26.1 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 July 2024

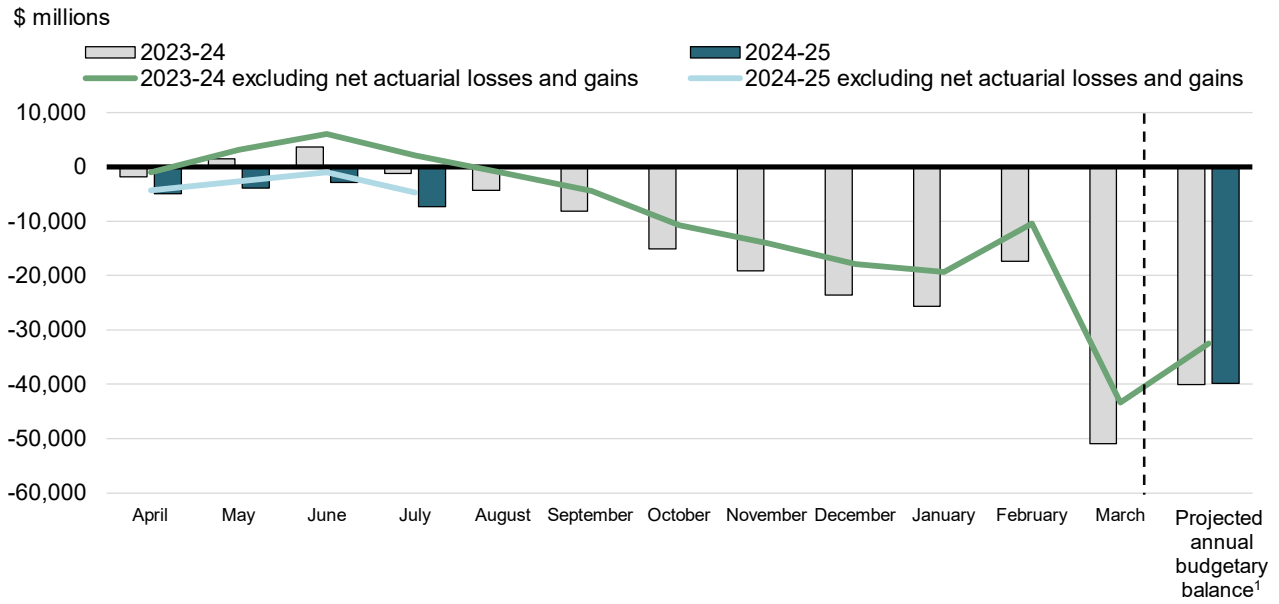
The government posted a budgetary deficit of \$7.3 billion for the April to July period of the 2024-25 fiscal year, compared to a deficit of \$1.2 billion reported for the same period of 2023-24. The budgetary deficit before net actuarial losses was \$4.8 billion, compared to a surplus of \$2.0 billion in the April to July period of 2023-24.

Compared to 2023-24:

- Revenues were up \$14.9 billion, or 10.2 per cent, reflecting increases in all major categories of revenue.
- Program expenses excluding net actuarial losses were up \$17.5 billion, or 13.5 per cent, driven by increases in direct program expenses, major transfers to provinces, territories and municipalities, and major transfers to persons.
- Public debt charges increased by \$4.2 billion, or 28.8 per cent, primarily reflecting higher interest on marketable bonds and treasury bills.
- Net actuarial losses decreased by \$0.8 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

	July		April to July	
	2023	2024	2023-24	2024-25
Budgetary transactions				
Revenues	35,375	40,448	145,954	160,836
Expenses				
Program expenses, excluding net actuarial losses	-35,562	-39,370	-129,371	-146,888
Public debt charges	-3,853	-4,860	-14,539	-18,722
Budgetary balance, excluding net actuarial losses	-4,040	-3,782	2,044	-4,774
Net actuarial losses	-820	-630	-3,280	-2,520
Budgetary balance (deficit/surplus)	-4,860	-4,412	-1,236	-7,294
Non-budgetary transactions	-5,844	-6,085	-38,889	-39,726
Financial source/requirement	-10,704	-10,497	-40,125	-47,020
Net change in financing activities	18,554	41,301	50,321	51,957
Net change in cash balances	7,850	30,804	10,196	4,937
Cash balance at end of period			51,995	71,592

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

Revenues

Revenues in July 2024 totalled \$40.4 billion, up \$5.1 billion, or 14.3 per cent, from July 2023.

- Tax revenues increased by \$3.8 billion, or 12.9 per cent, compared to the same period in 2023-24, largely as a result of higher income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$0.2 billion, or 27.3 per cent, reflecting in part higher carbon pollution pricing in 2024. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Employment Insurance (EI) premium revenues were up \$0.2 billion, or 10.7 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$0.8 billion, or 27.5 per cent, largely reflecting higher interest and penalties revenues.

Revenues for the April to July period of 2024-25 totalled \$160.8 billion, up \$14.9 billion, or 10.2 per cent, from the same period in 2023-24.

- Tax revenues increased by \$10.5 billion, or 8.7 per cent, compared to the same period in 2023-24, owing largely to higher corporate and personal income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$1.0 billion, or 31.8 per cent, reflecting higher carbon pollution pricing in 2024-25.
- EI premium revenues were up \$1.1 billion, or 10.7 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$2.3 billion, or 18.5 per cent, largely reflecting higher interest revenues, higher net profits from enterprise Crown corporations, higher revenues from sales of goods and services, and higher net foreign exchange revenues.

Table 2

Revenues

	July		Change	April to July		Change
	2023	2024		2023-24	2024-25	
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	16,857	16,874	0.1	66,141	69,653	5.3
Corporate	4,723	7,249	53.5	24,932	29,103	16.7
Non-resident	1,073	1,441	34.3	4,191	4,923	17.5
Total income tax revenues	22,653	25,564	12.9	95,264	103,679	8.8
Other taxes and duties						
Goods and Services Tax	5,143	5,740	11.6	18,784	20,664	10.0
Energy taxes	495	501	1.2	1,660	1,794	8.1
Customs import duties	417	516	23.7	1,841	1,777	-3.5
Other excise taxes and duties	576	746	29.5	2,309	2,402	4.0
Total other taxes and duties	6,631	7,503	13.2	24,594	26,637	8.3
Total tax revenues	29,284	33,067	12.9	119,858	130,316	8.7
Pollution pricing proceeds to be returned to Canadians	739	941	27.3	3,081	4,061	31.8
Employment Insurance premiums	2,290	2,536	10.7	10,424	11,536	10.7
Other revenues	3,062	3,904	27.5	12,591	14,923	18.5
Total revenues	35,375	40,448	14.3	145,954	160,836	10.2

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses in July 2024 were \$39.4 billion, up \$3.8 billion, or 10.7 per cent, from July 2023.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$1.2 billion or 12.7 per cent.
 - Elderly benefits increased by \$0.4 billion, or 5.9 per cent, largely reflecting changes in consumer prices, to which benefits are fully indexed, and growth in the number of recipients.
 - EI benefits increased by \$0.5 billion, or 33.3 per cent, largely reflecting the higher unemployment rate in July compared to the same month in the previous year.
 - COVID-19 income support for workers increased \$0.2 billion, or 87.2 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 8.2 per cent, mainly reflecting the indexation of benefits to consumer prices (which annually takes effect July 1st), and an increase in the number of eligible children.
- Major transfers to provinces, territories and municipalities were up \$0.8 billion, or 9.0 per cent, largely 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 increased by \$0.7 billion, or 31.3 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate (previously known as the Climate Action Incentive) and fluctuations in the timing of payments. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Direct program expenses were up \$1.1 billion, or 7.5 per cent. Within direct program expenses:
 - Other transfer payments increased by \$6 million, or 0.1 per cent.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$1.1 billion, or 12.0 per cent, largely reflecting higher personnel expenses.

Public debt charges increased \$1.0 billion, or 26.1 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 July period of 2024-25, program expenses excluding net actuarial losses were \$146.9 billion, up \$17.5 billion, or 13.5 per cent, from the same period the previous year.

- Major transfers to persons were up \$4.7 billion or 12.3 per cent.
 - Elderly benefits increased by \$1.7 billion, or 7.0 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 \$1.0 billion, or 16.1 per cent, largely reflecting the higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$1.1 billion, or 82.4 per cent, reflecting a decrease in redeterminations of benefits.
 - Children's benefits were up \$0.8 billion, or 10.1 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 \$4.9 billion, or 15.5 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 \$1.0 billion, or 21.2 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate.
- Direct program expenses were up \$7.0 billion, or 12.7 per cent. Within direct program expenses:
 - Other transfer payments increased by \$5.0 billion, or 24.7 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 \$2.0 billion, or 5.7 per cent, mainly reflecting higher personnel costs.

Public debt charges increased by \$4.2 billion, or 28.8 per cent, largely reflecting higher interest on marketable bonds and treasury bills.

Net actuarial losses decreased by \$0.8 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

	July			April to July		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,252	6,623	5.9	24,699	26,434	7.0
Employment Insurance benefits	1,533	2,044	33.3	6,203	7,200	16.1
COVID-19 income support for workers ¹	-203	-26	87.2	-1,319	-232	82.4
Children's benefits	2,110	2,283	8.2	8,337	9,180	10.1
Total major transfers to persons	9,692	10,924	12.7	37,920	42,582	12.3
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,118	4,340	5.4	16,474	17,360	5.4
Canada Social Transfer	1,368	1,409	3.0	5,472	5,636	3.0
Equalization	1,997	2,104	5.4	7,987	8,418	5.4
Territorial Formula Financing	329	351	6.7	2,204	2,352	6.7
Canada-wide early learning and child care	617	1,199	94.3	617	1,939	214.3
Canada Community-Building Fund	1,184	1,047	-11.6	1,184	1,047	-11.6
Health agreements with provinces/territories ²	-	-	n/a	-	2,186	n/a
Other fiscal arrangements ³	-576	-603	-4.7	-2,353	-2,464	-4.7
Total major transfers to provinces, territories and municipalities	9,037	9,847	9.0	31,585	36,474	15.5
Pollution pricing proceeds returned to Canadians	2,114	2,775	31.3	4,565	5,533	21.2
Direct program expenses						
Other transfer payments	5,543	5,549	0.1	20,258	25,263	24.7
Operating expenses	9,176	10,275	12.0	35,043	37,036	5.7
Total direct program expenses	14,719	15,824	7.5	55,301	62,299	12.7
Total program expenses, excluding net actuarial losses	35,562	39,370	10.7	129,371	146,888	13.5
Public debt charges	3,853	4,860	26.1	14,539	18,722	28.8
Total expenses, excluding net actuarial losses	39,415	44,230	12.2	143,910	165,610	15.1
Net actuarial losses	820	630	-23.2	3,280	2,520	-23.2
Total expenses	40,235	44,860	11.5	147,190	168,130	14.2

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 was 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; Fiscal Stabilization; statutory subsidies; and other items.

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

Table 4

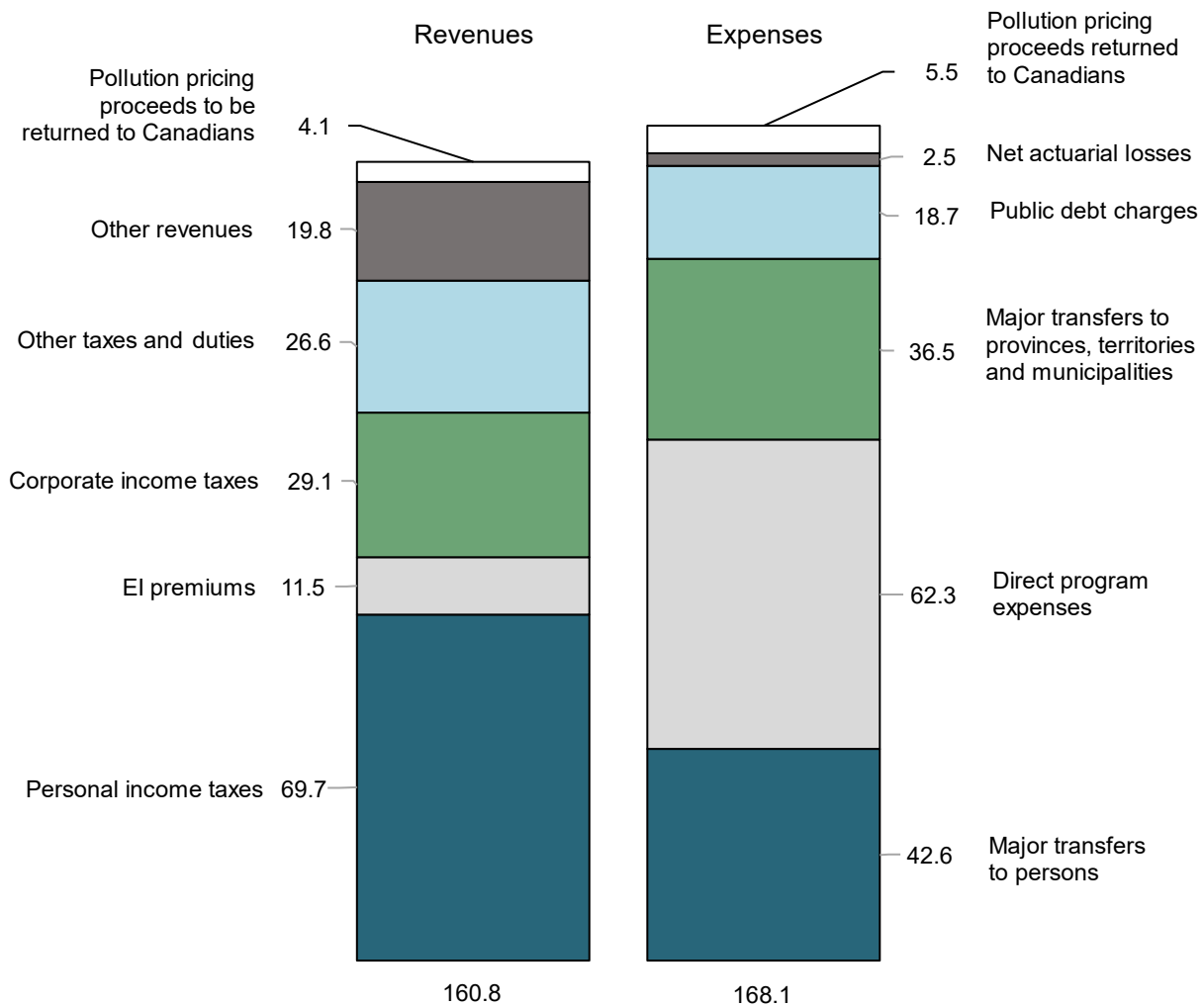
Total expenses by object of expense

	July			April to July		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	26,386	29,095	10.3	94,328	109,852	16.5
Other expenses						
Personnel, excluding net actuarial losses	5,372	6,348	18.2	21,341	23,384	9.6
Transportation and communications	262	292	11.5	840	880	4.8
Information	41	38	-7.3	100	101	1.0
Professional and special services	1,494	1,682	12.6	4,248	4,827	13.6
Rentals	466	465	-0.2	1,612	1,668	3.5
Repair and maintenance	312	308	-1.3	919	905	-1.5
Utilities, materials and supplies	510	288	-43.5	1,520	954	-37.2
Other subsidies and expenses	275	401	45.8	2,693	2,514	-6.6
Amortization of tangible capital assets	435	443	1.8	1,739	1,770	1.8
Net loss on disposal of assets	9	10	11.1	31	33	6.5
Total other expenses	9,176	10,275	12.0	35,043	37,036	5.7
Total program expenses, excluding net actuarial losses	35,562	39,370	10.7	129,371	146,888	13.5
Public debt charges	3,853	4,860	26.1	14,539	18,722	28.8
Total expenses, excluding net actuarial losses	39,415	44,230	12.2	143,910	165,610	15.1
Net actuarial losses	820	630	-23.2	3,280	2,520	-23.2
Total expenses	40,235	44,860	11.5	147,190	168,130	14.2

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to July 2024)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$47.0 billion for April to July 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 \$7.3 billion and a requirement of \$39.7 billion from non-budgetary transactions, there was a financial requirement of \$47.0 billion for the April to July 2024 period, compared to a financial requirement of \$40.1 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	July		April to July	
	2023	2024	2023-24	2024-25
Budgetary balance (deficit/surplus)	-4,860	-4,412	-1,236	-7,294
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-6,869	-5,180	-32,204	-21,378
Pensions, other future benefits, and other liabilities	1,226	972	3,966	3,128
Foreign exchange accounts and derivatives	365	771	-7,986	-6,987
Loans, investments and advances	-324	-1,829	-2,416	-12,618
Non-financial assets	-242	-819	-249	-1,871
Total non-budgetary transactions	-5,844	-6,085	-38,889	-39,726
Financial source/requirement	-10,704	-10,497	-40,125	-47,020

Note: Totals may not add due to rounding.

Net financing activities up \$52.0 billion

The government financed this financial requirement of \$47.0 billion and increased cash balances by \$4.9 billion by increasing unmatured debt by \$52.0 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills and marketable bonds.

Cash balances at the end of July 2024 stood at \$71.6 billion, up \$19.6 billion from their level at the end of July 2023.

Table 6

Financial source/requirement and net financing activities

\$ millions

	July		April to July	
	2023	2024	2023-24	2024-25
Financial source/requirement	-10,704	-10,497	-40,125	-47,020
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	13,310	16,448	12,897	7,803
Treasury bills	5,337	25,697	30,987	39,737
Total Canadian currency borrowings	18,647	42,145	43,884	47,540
Foreign currency borrowings	-51	-825	6,548	4,523
Total market debt transactions	18,596	41,320	50,432	52,063
Obligations related to capital leases and other unmaturing debt	-42	-19	-111	-106
Net change in financing activities	18,554	41,301	50,321	51,957
Change in cash balance	7,850	30,804	10,196	4,937
Cash balance at end of period			51,995	71,592

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.

For inquiries about this publication, contact Gina Clark at gina.clark@fin.gc.ca.

September 2024