



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for August 2024

Canada

©His Majesty the King in right of Canada, as represented by the Deputy Prime Minister and Minister of Finance, 2024
All rights reserved

All requests for permission to reproduce this document
or any part thereof shall be addressed to
the Department of Finance Canada.

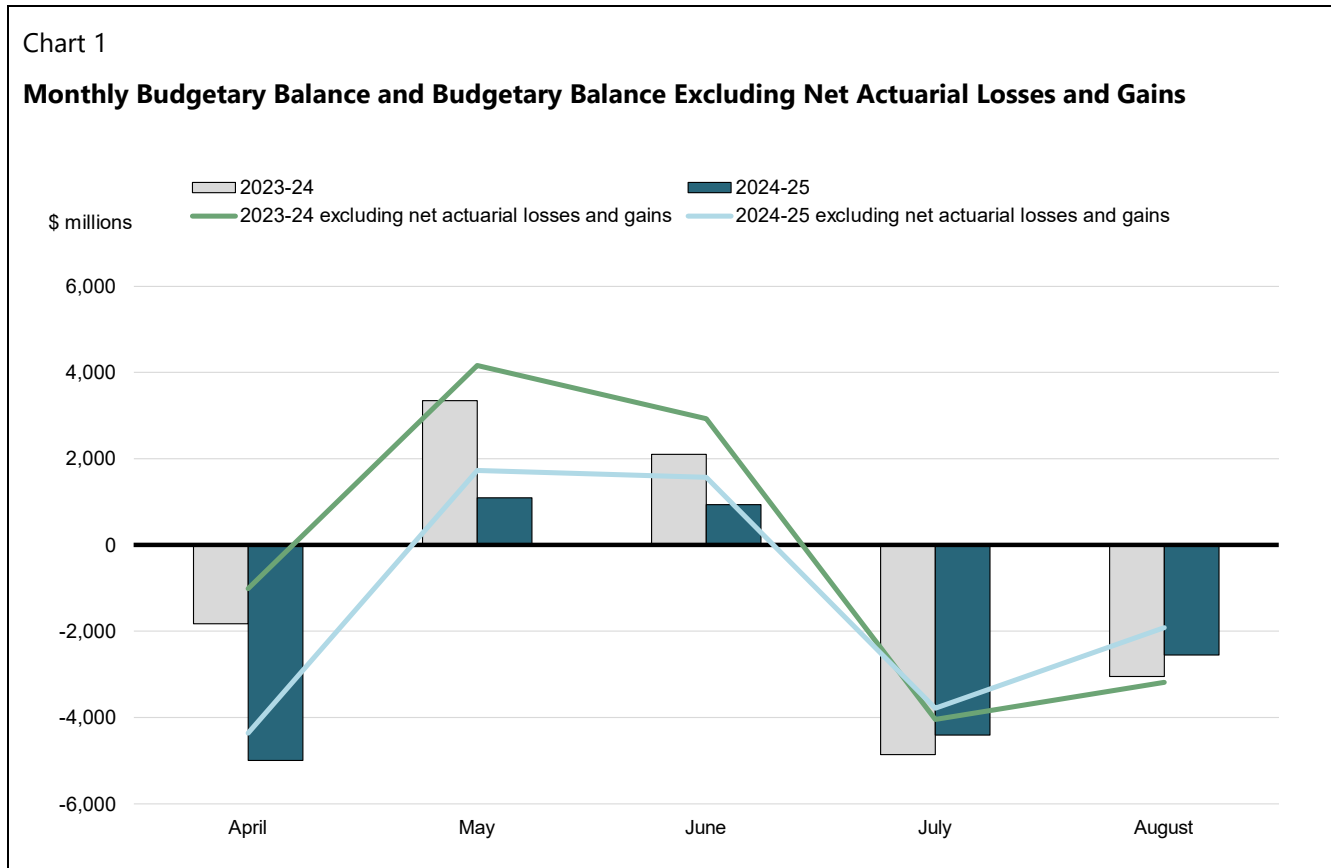
Cette publication est également disponible en français.

Cat. No.: F12-4E-PDF
ISSN: 1487-0134

Highlights

August 2024

There was a budgetary deficit of \$2.5 billion in August 2024, compared to a deficit of \$3.1 billion in August 2023. The budgetary deficit before net actuarial losses and gains was \$1.9 billion, compared to a deficit of \$3.2 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 August 2023:

- Revenues increased by \$1.8 billion, or 5.3 per cent, reflecting increases in personal income tax and other revenues.
- Program expenses excluding net actuarial losses and gains were up \$0.4 billion, or 1.1 per cent, reflecting increases in major transfers to persons and direct program expenses, offset in part by a decrease in major transfers to provinces, territories and municipalities, reflecting a year-over-year difference in the timing of payments for Canada-wide early learning and child care.
- Public debt charges were up \$0.2 billion, or 3.9 per cent, largely reflecting increases in the stock of marketable bonds and treasury bills, offset in part by lower interest on the government's pension and benefit obligations.
- Net actuarial losses and gains switched from a gain of \$0.1 billion in August 2023 to a loss of \$0.6 billion in August 2024, reflecting a year-to-date adjustment in August 2023 to record the amortization of gains from higher discount rates arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

April to August 2024

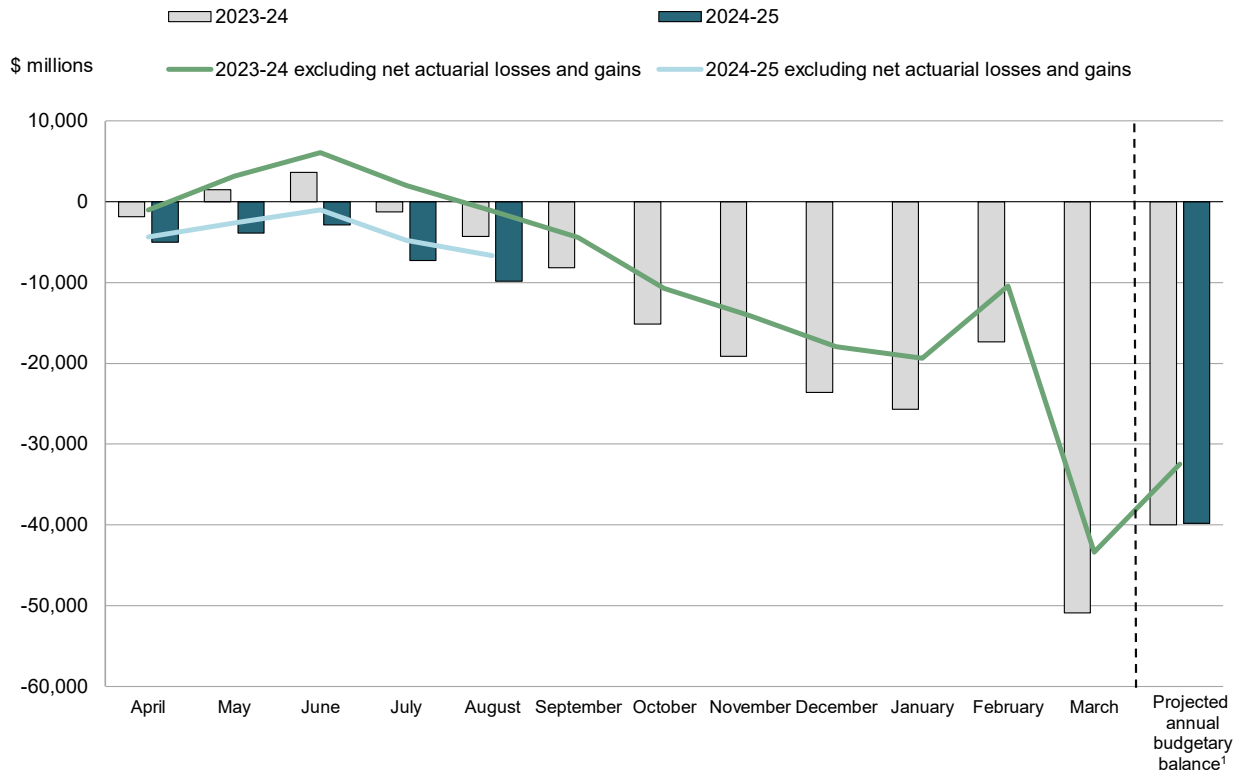
The government posted a budgetary deficit of \$9.8 billion for the April to August period of the 2024-25 fiscal year, compared to a deficit of \$4.3 billion reported for the same period of 2023-24. The budgetary deficit before net actuarial losses was \$6.7 billion, compared to a deficit of \$1.1 billion in the April to August period of 2023-24.

Compared to 2023-24:

- Revenues were up \$16.7 billion, or 9.3 per cent, reflecting increases in all major categories of revenue.
- Program expenses excluding net actuarial losses were up \$17.9 billion, or 11.0 per cent, driven by increases in direct program expenses, major transfers to persons, and major transfers to provinces, territories and municipalities.
- Public debt charges increased by \$4.4 billion, or 23.1 per cent, primarily reflecting higher interest on marketable bonds and treasury bills.
- Net actuarial losses were unchanged from the prior year.

Chart 2

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



¹ Source: Budget 2024

Table 1

Summary statement of transactions

\$ millions

	August		April to August	
	2023	2024	2023-24	2024-25
Budgetary transactions				
Revenues	33,647	35,439	179,602	196,275
Expenses				
Program expenses, excluding net actuarial losses and gains	-32,526	-32,881	-161,896	-179,770
Public debt charges	-4,304	-4,474	-18,843	-23,196
Budgetary balance, excluding net actuarial losses and gains	-3,183	-1,916	-1,137	-6,691
Net actuarial gains (losses)	130	-630	-3,150	-3,150
Budgetary balance (deficit/surplus)	-3,053	-2,546	-4,287	-9,841
Non-budgetary transactions	-1,220	-4,826	-40,109	-44,550
Financial source/requirement	-4,273	-7,372	-44,396	-54,391
Net change in financing activities	19,711	-13,995	70,032	37,962
Net change in cash balances	15,438	-21,367	25,636	-16,429
Cash balance at end of period			67,432	50,227

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

Revenues

Revenues in August 2024 totalled \$35.4 billion, up \$1.8 billion, or 5.3 per cent, from August 2023.

- Tax revenues increased by \$0.5 billion, or 1.9 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 \$0.2 billion, or 26.9 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 11.3 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$0.9 billion, or 28.1 per cent, largely reflecting higher interest and penalties revenues.

Revenues for the April to August period of 2024-25 totalled \$196.3 billion, up \$16.7 billion, or 9.3 per cent, from the same period in 2023-24.

- Tax revenues increased by \$11.0 billion, or 7.4 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 \$1.2 billion, or 30.9 per cent, reflecting higher carbon pollution pricing in 2024-25.
- EI premium revenues were up \$1.3 billion, or 10.8 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$3.2 billion, or 20.4 per cent, largely reflecting higher interest revenues, higher net profits from enterprise Crown corporations, and higher net foreign exchange revenues.

Table 2

Revenues

	August			April to August		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	16,154	17,692	9.5	82,294	87,345	6.1
Corporate	4,764	4,201	-11.8	29,696	33,305	12.2
Non-resident	785	1,010	28.7	4,976	5,933	19.2
Total income tax revenues	21,703	22,903	5.5	116,966	126,583	8.2
Other taxes and duties						
Goods and Services Tax	4,634	3,846	-17.0	23,418	24,510	4.7
Energy taxes	492	490	-0.4	2,151	2,284	6.2
Customs import duties	489	476	-2.7	2,331	2,253	-3.3
Other excise taxes and duties	601	728	21.1	2,911	3,130	7.5
Total other taxes and duties	6,216	5,540	-10.9	30,811	32,177	4.4
Total tax revenues	27,919	28,443	1.9	147,777	158,760	7.4
Pollution pricing proceeds to be returned to Canadians	691	877	26.9	3,771	4,938	30.9
Employment Insurance premiums	1,996	2,222	11.3	12,419	13,758	10.8
Other revenues	3,041	3,897	28.1	15,635	18,819	20.4
Total revenues	33,647	35,439	5.3	179,602	196,275	9.3

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses and gains in August 2024 were \$32.9 billion, up \$0.4 billion, or 1.1 per cent, from August 2023.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$0.7 billion or 7.1 per cent.
 - Elderly benefits increased by \$0.4 billion, or 6.4 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 \$0.3 billion, or 11.0 per cent, due to the timing of Labour Market Development Agreements payments.
 - COVID-19 income support for workers increased \$0.4 billion, or 89.6 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 8.1 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 down \$0.9 billion, or 10.5 per cent, largely reflecting a year-over-year difference in the timing of Canada-wide early learning and child care transfers, which were paid earlier in the current year, offset in part by 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 \$23 million, or 21.5 per cent. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Direct program expenses were up \$0.5 billion, or 3.5 per cent. Within direct program expenses:
 - Other transfer payments increased by \$0.3 billion, or 6.5 per cent, largely reflecting growth in transfers under the Canada Workers Benefit.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.2 billion, or 2.0 per cent.

Public debt charges increased \$0.2 billion, or 3.9 per cent, largely reflecting increases in the stock of marketable bonds and treasury bills, offset in part by lower interest on the government's pension and benefit obligations.

Net actuarial losses and gains, 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, switched from a gain of \$0.1 billion in August 2023 to a loss of \$0.6 billion in August 2024. This change reflects a year-to-date adjustment in August 2023 to record the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

For the April to August period of 2024-25, program expenses excluding net actuarial losses were \$179.8 billion, up \$17.9 billion, or 11.0 per cent, from the same period the previous year.

- Major transfers to persons were up \$5.4 billion or 11.2 per cent.
 - Elderly benefits increased by \$2.1 billion, or 6.9 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 \$0.7 billion, or 8.6 per cent, largely reflecting the higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$1.5 billion, or 84.3 per cent, reflecting a decrease in redeterminations of benefits.
 - Children's benefits were up \$1.0 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 \$4.0 billion, or 10.0 per cent, reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, as well as year-over-year differences in the timing of 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 \$7.5 billion, or 10.8 per cent. Within direct program expenses:
 - Other transfer payments increased by \$5.3 billion, or 21.4 per cent, reflecting a number of factors including higher transfers with respect to Indigenous Peoples, an increase in Canada Workers Benefit payments, funding for the Local Leadership for Climate Adaptation initiative to help communities adapt to climate change, and an increase in payments for the Canada Greener Homes Grant.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$2.2 billion, or 4.9 per cent, mainly reflecting higher personnel costs.

Public debt charges increased by \$4.4 billion, or 23.1 per cent, largely reflecting higher interest on marketable bonds and treasury bills.

Net actuarial losses were unchanged from the prior year.

Table 3

Expenses

	August			April to August		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,237	6,638	6.4	30,936	33,073	6.9
Employment Insurance benefits	2,345	2,087	-11.0	8,548	9,287	8.6
COVID-19 income support for workers ¹	-461	-48	89.6	-1,780	-280	84.3
Children's benefits	2,190	2,368	8.1	10,527	11,547	9.7
Total major transfers to persons	10,311	11,045	7.1	48,231	53,627	11.2
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,118	4,340	5.4	20,592	21,700	5.4
Canada Social Transfer	1,368	1,409	3.0	6,840	7,045	3.0
Equalization	1,997	2,104	5.4	9,984	10,522	5.4
Territorial Formula Financing	329	351	6.7	2,533	2,703	6.7
Canada-wide early learning and child care	1,170	14	-98.8	1,788	1,953	9.2
Canada Community-Building Fund	-	73	n/a	1,184	1,119	-5.5
Health agreements with provinces/territories ²	-	54	n/a	-	2,240	n/a
Other fiscal arrangements ³	-596	-836	-40.3	-2,949	-3,300	-11.9
Total major transfers to provinces, territories and municipalities	8,386	7,509	-10.5	39,972	43,982	10.0
Pollution pricing proceeds returned to Canadians	107	130	21.5	4,672	5,662	21.2
Direct program expenses						
Other transfer payments	4,423	4,710	6.5	24,681	29,973	21.4
Operating expenses	9,299	9,487	2.0	44,340	46,526	4.9
Total direct program expenses	13,722	14,197	3.5	69,021	76,499	10.8
Total program expenses, excluding net actuarial losses and gains	32,526	32,881	1.1	161,896	179,770	11.0
Public debt charges	4,304	4,474	3.9	18,843	23,196	23.1
Total expenses, excluding net actuarial losses and gains	36,830	37,355	1.4	180,739	202,966	12.3
Net actuarial (gains) losses	-130	630	584.6	3,150	3,150	0.0
Total expenses	36,700	37,985	3.5	183,889	206,116	12.1

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 Addiction 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; statutory subsidies; and other items.

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

Table 4

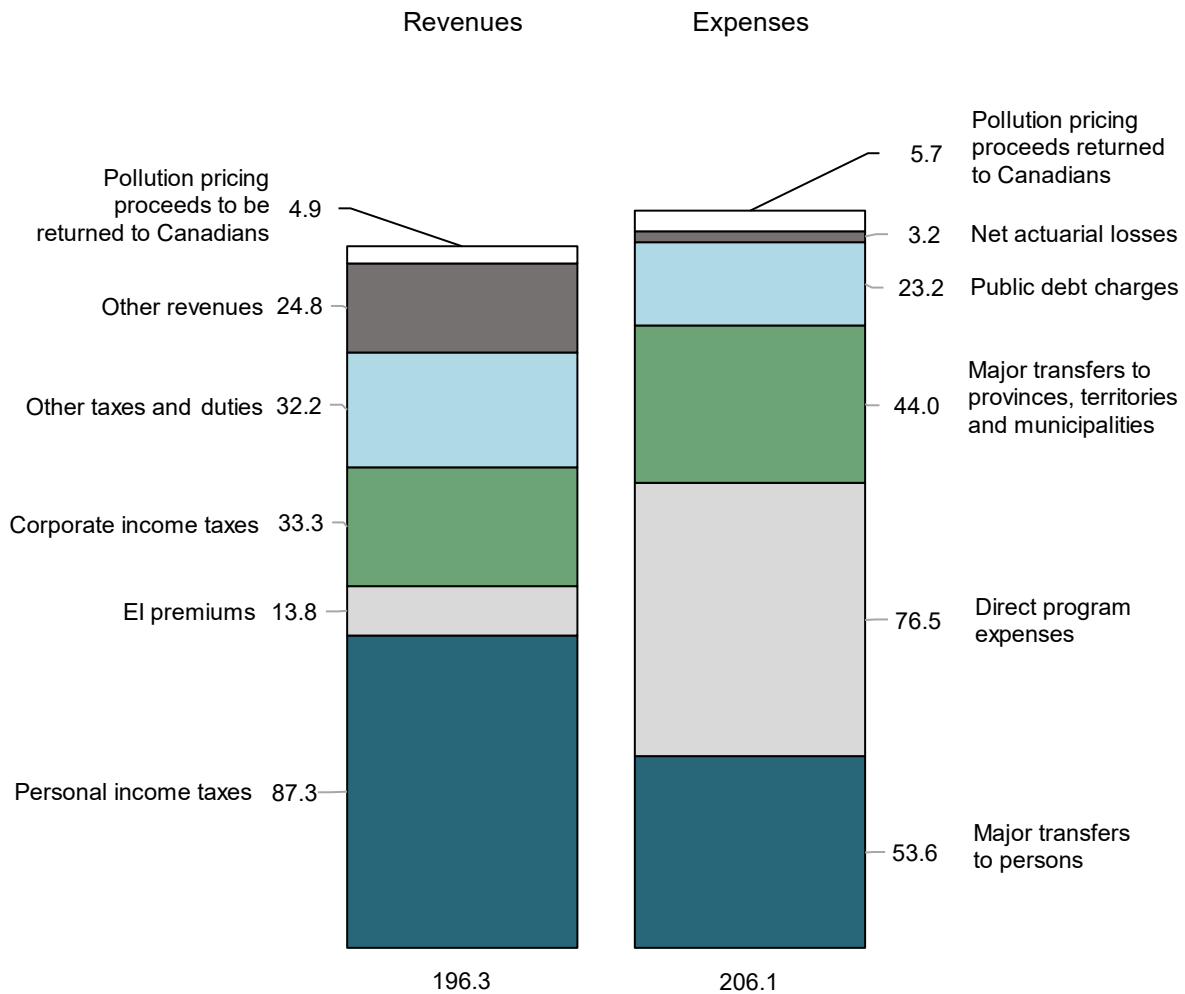
Total expenses by object of expense

	August			April to August		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	23,227	23,394	0.7	117,556	133,244	13.3
Other expenses						
Personnel, excluding net actuarial losses and gains	5,495	5,593	1.8	26,834	28,980	8.0
Transportation and communications	243	254	4.5	1,084	1,134	4.6
Information	34	20	-41.2	133	121	-9.0
Professional and special services	1,577	1,633	3.6	5,825	6,460	10.9
Rentals	295	312	5.8	1,907	1,980	3.8
Repair and maintenance	336	302	-10.1	1,255	1,207	-3.8
Utilities, materials and supplies	439	299	-31.9	1,959	1,253	-36.0
Other subsidies and expenses	433	620	43.2	3,126	3,135	0.3
Amortization of tangible capital assets	434	444	2.3	2,173	2,213	1.8
Net loss on disposal of assets	13	10	-23.1	44	43	-2.3
Total other expenses	9,299	9,487	2.0	44,340	46,526	4.9
Total program expenses, excluding net actuarial losses and gains	32,526	32,881	1.1	161,896	179,770	11.0
Public debt charges	4,304	4,474	3.9	18,843	23,196	23.1
Total expenses, excluding net actuarial losses and gains	36,830	37,355	1.4	180,739	202,966	12.3
Net actuarial (gains) losses	-130	630	584.6	3,150	3,150	0.0
Total expenses	36,700	37,985	3.5	183,889	206,116	12.1

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to August 2024)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$54.4 billion for April to August 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 \$9.8 billion and a requirement of \$44.6 billion from non-budgetary transactions, there was a financial requirement of \$54.4 billion for the April to August 2024 period, compared to a financial requirement of \$44.4 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	August		April to August	
	2023	2024	2023-24	2024-25
Budgetary balance (deficit/surplus)	-3,053	-2,546	-4,287	-9,841
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	1,172	-1,231	-31,033	-22,608
Pensions, other future benefits, and other liabilities	5	729	3,971	3,858
Foreign exchange accounts and derivatives	-1,636	729	-9,622	-6,258
Loans, investments and advances	-406	-4,627	-2,822	-17,245
Non-financial assets	-355	-426	-603	-2,297
Total non-budgetary transactions	-1,220	-4,826	-40,109	-44,550
Financial source/requirement	-4,273	-7,372	-44,396	-54,391

Note: Totals may not add due to rounding.

Net financing activities up \$38.0 billion

The government financed this financial requirement of \$54.4 billion by decreasing cash balances by \$16.4 billion and increasing unmatured debt by \$38.0 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills and marketable bonds.

Cash balances at the end of August 2024 stood at \$50.2 billion, down \$17.2 billion from their level at the end of August 2023.

Table 6

Financial source/requirement and net financing activities

\$ millions

	August		April to August	
	2023	2024	2023-24	2024-25
Financial source/requirement	-4,273	-7,372	-44,396	-54,391
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-1,101	8,020	11,795	15,823
Treasury bills	20,911	-22,174	51,898	17,563
Total Canadian currency borrowings	19,810	-14,154	63,693	33,386
Foreign currency borrowings	-79	179	6,469	4,702
Total market debt transactions	19,731	-13,975	70,162	38,088
Obligations related to capital leases and other unmaturing debt	-20	-20	-130	-126
Net change in financing activities	19,711	-13,995	70,032	37,962
Change in cash balance	15,438	-21,367	25,636	-16,429
Cash balance at end of period			67,432	50,227

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.

October 2024