



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for September 2024

Canada

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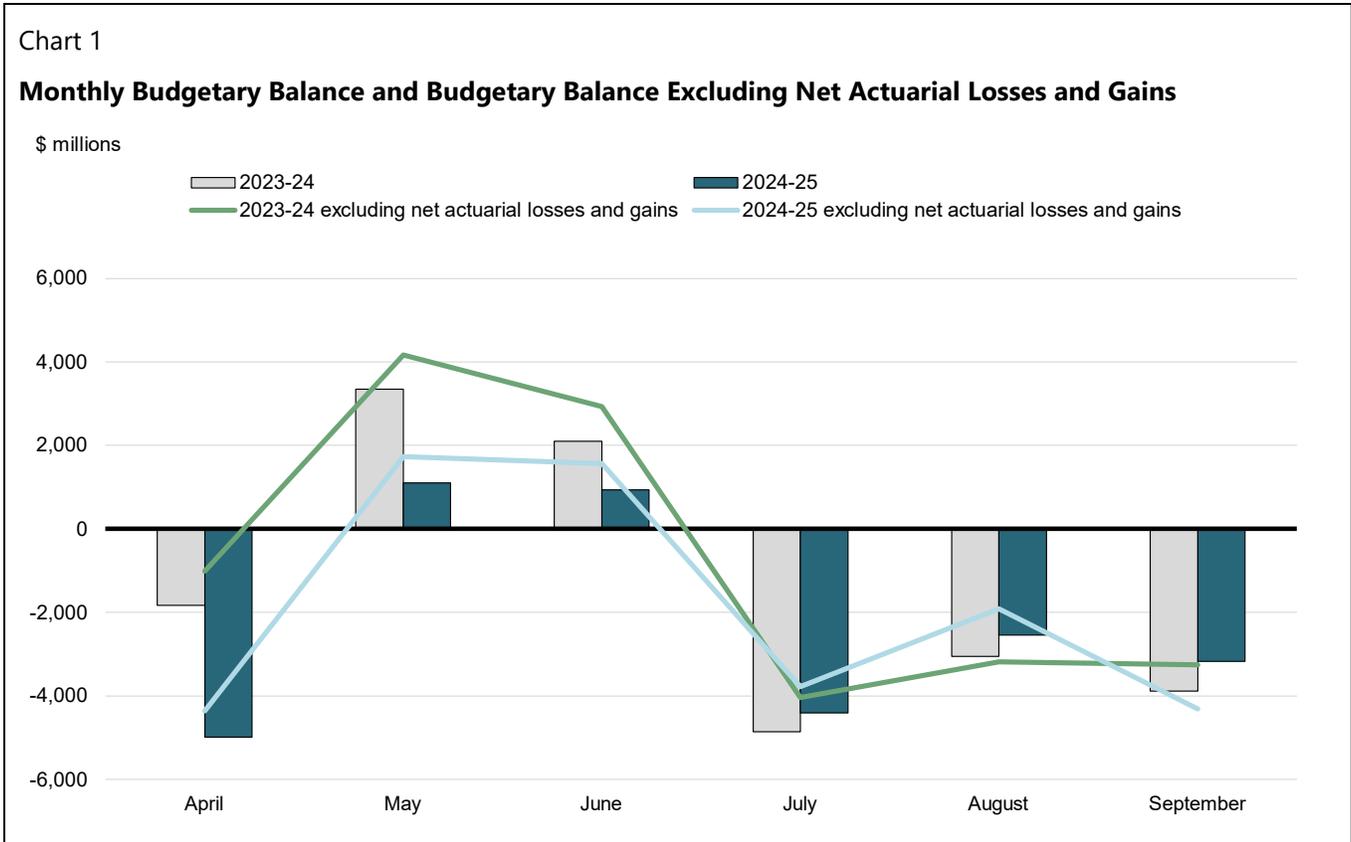
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Highlights

September 2024

There was a budgetary deficit of \$3.2 billion in September 2024, compared to a deficit of \$3.9 billion in September 2023. The budgetary deficit before net actuarial losses and gains was \$4.3 billion, compared to a deficit of \$3.3 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 September 2023:

- Revenues increased by \$3.6 billion, or 11.1 per cent, largely reflecting higher personal income tax revenue and other revenues.
- Program expenses excluding net actuarial losses and gains were up \$3.8 billion, or 12.2 per cent, largely reflecting increases in direct program expenses and major transfers to persons.
- Public debt charges were up \$0.8 billion, or 19.9 per cent, largely reflecting an increase in the stock of marketable bonds and higher interest on the government's pension and benefit obligations.
- The government recorded net actuarial gains of \$1.1 billion in September 2024, compared to net actuarial losses of \$0.6 billion in September 2023, largely due to a year-to-date adjustment in September 2024 to reflect updated estimates for the 2024–25 fiscal year.

April to September 2024

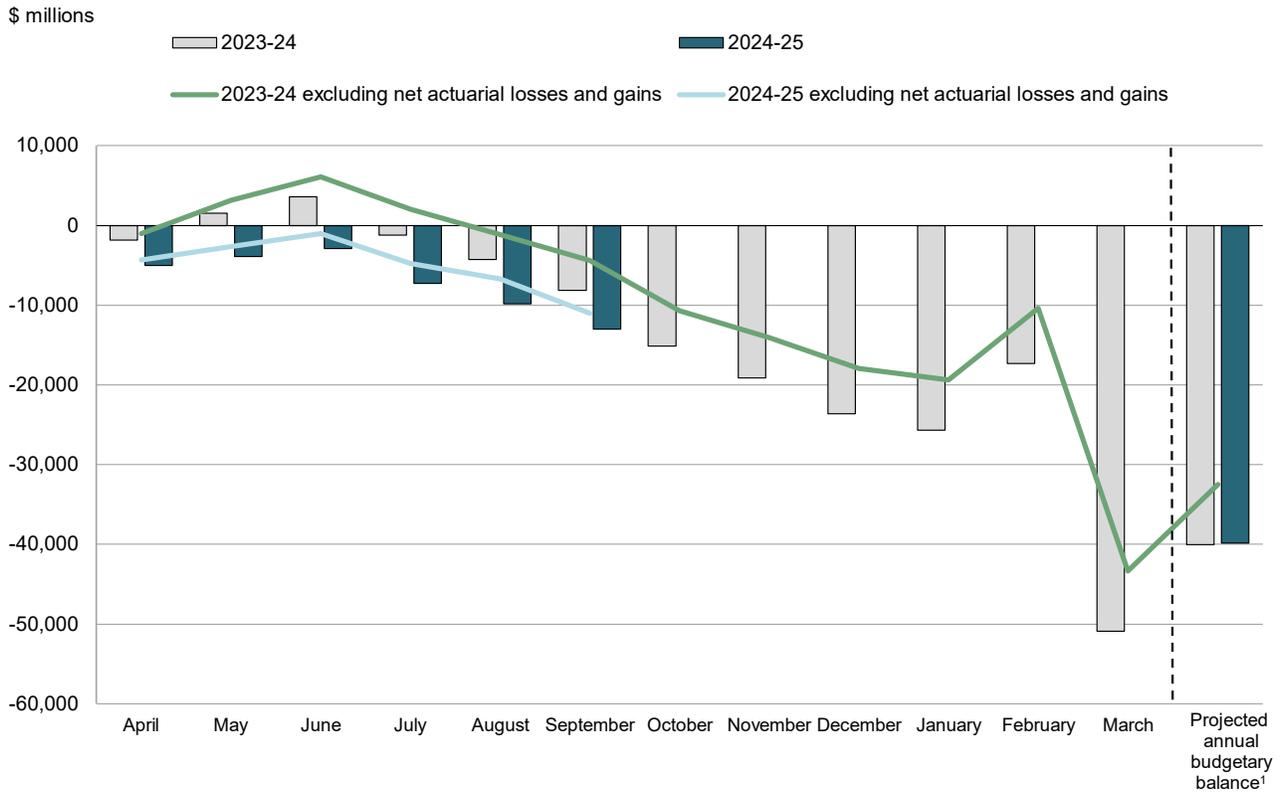
The government posted a budgetary deficit of \$13.0 billion for the April to September period of the 2024–25 fiscal year, compared to a deficit of \$8.2 billion reported for the same period of 2023–24. The budgetary deficit before net actuarial losses and gains was \$11.0 billion, compared to a deficit of \$4.4 billion in the April to September period of 2023–24.

Compared to 2023–24:

- Revenues were up \$20.3 billion, or 9.6 per cent, reflecting increases in all major categories of revenue.
- Program expenses excluding net actuarial losses and gains were up \$21.7 billion, or 11.2 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 \$5.2 billion, or 22.5 per cent, primarily reflecting higher interest on marketable bonds, treasury bills, and pension and benefit obligations.
- Net actuarial losses and gains decreased by \$1.8 billion, or 46.8 per cent, reflecting both the amortization of gains arising from updated actuarial valuations of the government's pension and other employee future benefit plans and the end of the amortization of certain prior years' net actuarial losses.

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

	September		April to September	
	2023	2024	2023-24	2024-25
Budgetary transactions				
Revenues	32,519	36,135	212,121	232,410
Expenses				
Program expenses, excluding net actuarial losses and gains	-31,612	-35,455	-193,508	-215,224
Public debt charges	-4,160	-4,989	-23,003	-28,186
Budgetary balance, excluding net actuarial losses and gains	-3,253	-4,309	-4,390	-11,000
Net actuarial (losses) gains	-630	1,140	-3,780	-2,010
Budgetary balance (deficit/surplus)	-3,883	-3,169	-8,170	-13,010
Non-budgetary transactions	5,022	-5,838	-35,087	-50,388
Financial source/requirement	1,139	-9,007	-43,257	-63,398
Net change in financing activities	-26,139	-1,446	43,893	36,516
Net change in cash balances	-25,000	-10,453	636	-26,882
Cash balance at end of period			42,433	39,774

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

Revenues

Revenues in September 2024 totalled \$36.1 billion, up \$3.6 billion, or 11.1 per cent, from September 2023.

- Tax revenues increased by \$2.3 billion, or 8.3 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 \$0.1 billion, or 18.4 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 \$0.2 billion, or 11.0 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$1.0 billion, or 35.7 per cent, largely reflecting higher interest and penalties revenues and return on investments.

Revenues for the April to September period of 2024–25 totalled \$232.4 billion, up \$20.3 billion, or 9.6 per cent, from the same period in 2023–24.

- Tax revenues increased by \$13.2 billion, or 7.6 per cent, compared to the same period in 2023–24, owing largely to higher personal and corporate income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$1.3 billion, or 28.9 per cent, reflecting higher carbon pollution pricing in 2024–25.
- EI premium revenues were up \$1.5 billion, or 10.8 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$4.2 billion, or 22.7 per cent, reflecting higher interest and penalties revenues, higher revenues from enterprise Crown corporations and other government business enterprises, and higher net foreign exchange revenues.

Table 2

Revenues

	September		Change	April to September		
	2023	2024		2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	16,268	18,011	10.7	98,562	105,357	6.9
Corporate	5,155	5,333	3.5	34,851	38,638	10.9
Non-resident	579	570	-1.6	5,555	6,504	17.1
Total income tax revenues	22,002	23,914	8.7	138,968	150,499	8.3
Other taxes and duties						
Goods and Services Tax	3,450	3,803	10.2	26,868	28,313	5.4
Energy taxes	514	584	13.6	2,665	2,868	7.6
Customs import duties	534	448	-16.1	2,865	2,701	-5.7
Other excise taxes and duties	621	634	2.1	3,531	3,765	6.6
Total other taxes and duties	5,119	5,469	6.8	35,929	37,647	4.8
Total tax revenues	27,121	29,383	8.3	174,897	188,146	7.6
Pollution pricing proceeds to be returned to Canadians	728	862	18.4	4,499	5,801	28.9
Employment Insurance premiums	1,809	2,008	11.0	14,229	15,766	10.8
Other revenues	2,861	3,882	35.7	18,496	22,697	22.7
Total revenues	32,519	36,135	11.1	212,121	232,410	9.6

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses and gains in September 2024 were \$35.5 billion, up \$3.8 billion, or 12.2 per cent, from September 2023.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$1.6 billion or 16.9 per cent.
 - Elderly benefits increased by \$0.4 billion, or 6.6 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 \$0.7 billion, or 48.9 per cent, largely due to a higher unemployment rate in September 2024 compared to the same period in the previous year and the timing of Labour Market Development Agreements payments.
 - COVID-19 income support for workers increased \$0.3 billion, or 88.0 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 7.5 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 \$0.3 billion, or 4.7 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, and year-over-year timing differences in transfers for Canada-wide early learning and child care and the Canada Community-Building Fund. These increases in transfers were offset in part by higher estimated recoveries under the Quebec Abatement relative to September 2023, which saw an adjustment based on revised estimates for 2023–24.
- Pollution pricing proceeds returned to Canadians increased by \$0.1 billion, or 59.2 per cent. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Direct program expenses were up \$1.8 billion, or 12.3 per cent. Within direct program expenses:
 - Other transfer payments increased by \$1.1 billion, or 20.2 per cent, in large part reflecting increased transfers for housing programs, payments with respect to Indigenous Peoples, the Canada Dental Benefit, and the Canada Workers Benefit.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.7 billion, or 7.7 per cent, primarily reflecting increased personnel costs.

Public debt charges increased \$0.8 billion, or 19.9 per cent, largely reflecting an increase in the stock of marketable bonds and higher 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, contributed a \$1.1 billion gain in September 2024, compared to a \$0.6 billion loss in the same period of the prior year. The change from the prior year is largely due to a year-to-date adjustment in September 2024 to reflect updated estimates for the 2024–25 fiscal year.

For the April to September period of 2024–25, program expenses excluding net actuarial losses and gains were \$215.2 billion, up \$21.7 billion, or 11.2 per cent, from the same period the previous year.

- Major transfers to persons were up \$7.0 billion or 12.1 per cent.
 - Elderly benefits increased by \$2.6 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 \$1.5 billion, or 14.6 per cent, largely reflecting the higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$1.8 billion, or 84.9 per cent, reflecting a decrease in redeterminations of benefits.
 - Children’s benefits were up \$1.2 billion, or 9.3 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 \$4.4 billion, or 9.2 per cent, largely 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 \$1.1 billion, or 22.3 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate.
- Direct program expenses were up \$9.3 billion, or 11.1 per cent. Within direct program expenses:
 - Other transfer payments increased by \$6.4 billion, or 21.2 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, increased transfers under the Canada Dental Benefit, 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 \$2.9 billion, or 5.4 per cent, largely reflecting an increase in personnel costs and year-over-year timing differences in consolidated Crown corporations’ expenses, offset in part by lower public health expenses.

Public debt charges increased by \$5.2 billion, or 22.5 per cent, primarily reflecting higher interest on marketable bonds, treasury bills, and the government's pension and benefit obligations.

Net actuarial losses and gains decreased by \$1.8 billion, or 46.8 per cent, reflecting both the amortization of gains arising from updated actuarial valuations of the government’s pension and other employee future benefit plans and the end of the amortization of certain prior years’ net actuarial losses.

Table 3

Expenses

	September			April to September		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,268	6,683	6.6	37,203	39,755	6.9
Employment Insurance benefits	1,474	2,195	48.9	10,022	11,482	14.6
COVID-19 income support for workers ¹	-368	-44	88.0	-2,148	-325	84.9
Children's benefits	2,230	2,397	7.5	12,758	13,944	9.3
Total major transfers to persons	9,604	11,231	16.9	57,835	64,856	12.1
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,118	4,340	5.4	24,710	26,040	5.4
Canada Social Transfer	1,368	1,409	3.0	8,208	8,454	3.0
Equalization	1,997	2,104	5.4	11,981	12,626	5.4
Territorial Formula Financing	329	351	6.7	2,862	3,054	6.7
Canada-wide early learning and child care	-	62	n/a	1,788	2,015	12.7
Canada Community-Building Fund	-	56	n/a	1,184	1,175	-0.8
Health agreements with provinces/territories ²	-	10	n/a	-	2,250	n/a
Other fiscal arrangements ³	-473	-645	-36.4	-3,422	-3,945	-15.3
Total major transfers to provinces, territories and municipalities	7,339	7,687	4.7	47,311	51,669	9.2
Pollution pricing proceeds returned to Canadians	147	234	59.2	4,819	5,896	22.3
Direct program expenses						
Other transfer payments	5,305	6,376	20.2	29,985	36,350	21.2
Operating expenses	9,217	9,927	7.7	53,558	56,453	5.4
Total direct program expenses	14,522	16,303	12.3	83,543	92,803	11.1
Total program expenses, excluding net actuarial losses and gains	31,612	35,455	12.2	193,508	215,224	11.2
Public debt charges	4,160	4,989	19.9	23,003	28,186	22.5
Total expenses, excluding net actuarial losses and gains	35,772	40,444	13.1	216,511	243,410	12.4
Net actuarial losses (gains)	630	-1,140	-281.0	3,780	2,010	-46.8
Total expenses	36,402	39,304	8.0	220,291	245,420	11.4

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; statutory subsidies; and other items.

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

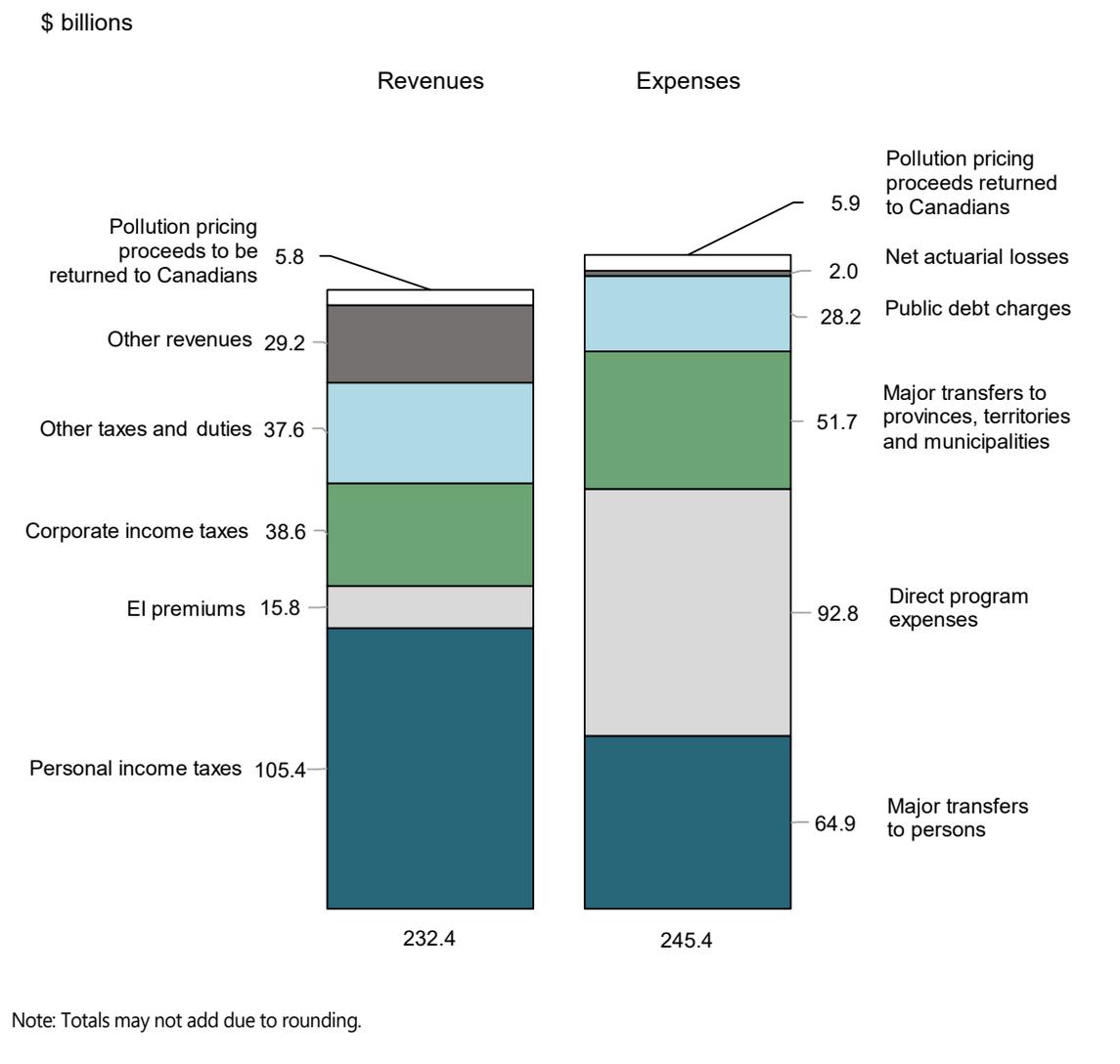
Table 4

Total expenses by object of expense

	September			April to September		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	22,395	25,528	14.0	139,950	158,771	13.4
Other expenses						
Personnel, excluding net actuarial losses and gains	5,339	5,848	9.5	32,174	34,828	8.2
Transportation and communications	234	317	35.5	1,318	1,451	10.1
Information	26	40	53.8	159	161	1.3
Professional and special services	1,542	1,727	12.0	7,367	8,187	11.1
Rentals	314	295	-6.1	2,221	2,275	2.4
Repair and maintenance	326	347	6.4	1,581	1,554	-1.7
Utilities, materials and supplies	244	277	13.5	2,203	1,530	-30.5
Other subsidies and expenses	748	617	-17.5	3,874	3,752	-3.1
Amortization of tangible capital assets	437	448	2.5	2,610	2,661	2.0
Net loss on disposal of assets	7	11	57.1	51	54	5.9
Total other expenses	9,217	9,927	7.7	53,558	56,453	5.4
Total program expenses, excluding net actuarial losses and gains	31,612	35,455	12.2	193,508	215,224	11.2
Public debt charges	4,160	4,989	19.9	23,003	28,186	22.5
Total expenses, excluding net actuarial losses and gains	35,772	40,444	13.1	216,511	243,410	12.4
Net actuarial losses (gains)	630	-1,140	281.0	3,780	2,010	-46.8
Total expenses	36,402	39,304	8.0	220,291	245,420	11.4

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to September 2024)



Financial requirement of \$63.4 billion for April to September 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 \$13.0 billion and a requirement of \$50.4 billion from non-budgetary transactions, there was a financial requirement of \$63.4 billion for the April to September 2024 period, compared to a financial requirement of \$43.3 billion for the same period of the previous year. The increase in the financial requirement for non-budgetary transactions is due in large part to the government's purchase of Canada Mortgage Bonds, as announced in the *2023 Fall Economic Statement*. Purchases began in February 2024, and the government intends to purchase up to an annual maximum of \$30 billion while ensuring that the pace and volume of these purchases are appropriate for market conditions.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	September		April to September	
	2023	2024	2023–24	2024–25
Budgetary balance (deficit/surplus)	-3,883	-3,169	-8,170	-13,010
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	6,054	2,853	-24,979	-19,755
Pensions, other future benefits, and other liabilities	1,184	-80	5,155	3,778
Foreign exchange accounts and derivatives	39	-1,457	-9,583	-7,715
Loans, investments and advances	-1,932	-6,209	-4,754	-23,454
Non-financial assets	-323	-945	-926	-3,242
Total non-budgetary transactions	5,022	-5,838	-35,087	-50,388
Financial source/requirement	1,139	-9,007	-43,257	-63,398

Note: Totals may not add due to rounding.

Net financing activities up \$36.5 billion

The government financed this financial requirement of \$63.4 billion by increasing unmatured debt by \$36.5 billion and drawing down cash balances by \$26.9 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of September 2024 stood at \$39.8 billion, down \$2.7 billion from their level at the end of September 2023.

Table 6

Financial source/requirement and net financing activities

\$ millions

	September		April to September	
	2023	2024	2023-24	2024-25
Financial source/requirement	1,139	-9,007	-43,257	-63,398
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-27,670	1,127	-15,875	16,949
Treasury bills	2,379	-4,871	54,277	12,692
Total Canadian currency borrowings	-25,291	-3,744	38,402	29,641
Foreign currency borrowings	-845	2,319	5,624	7,021
Total market debt transactions	-26,136	-1,425	44,026	36,662
Obligations related to capital leases and other unmaturred debt	-3	-21	-133	-146
Net change in financing activities	-26,139	-1,446	43,893	36,516
Change in cash balance	-25,000	-10,453	636	-26,882
Cash balance at end of period			42,433	39,774

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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November 2024