



Department of Finance  
Canada

Ministère des Finances  
Canada

# **The Fiscal Monitor**

A publication of the Department of Finance

Financial Results for October 2024

Canada

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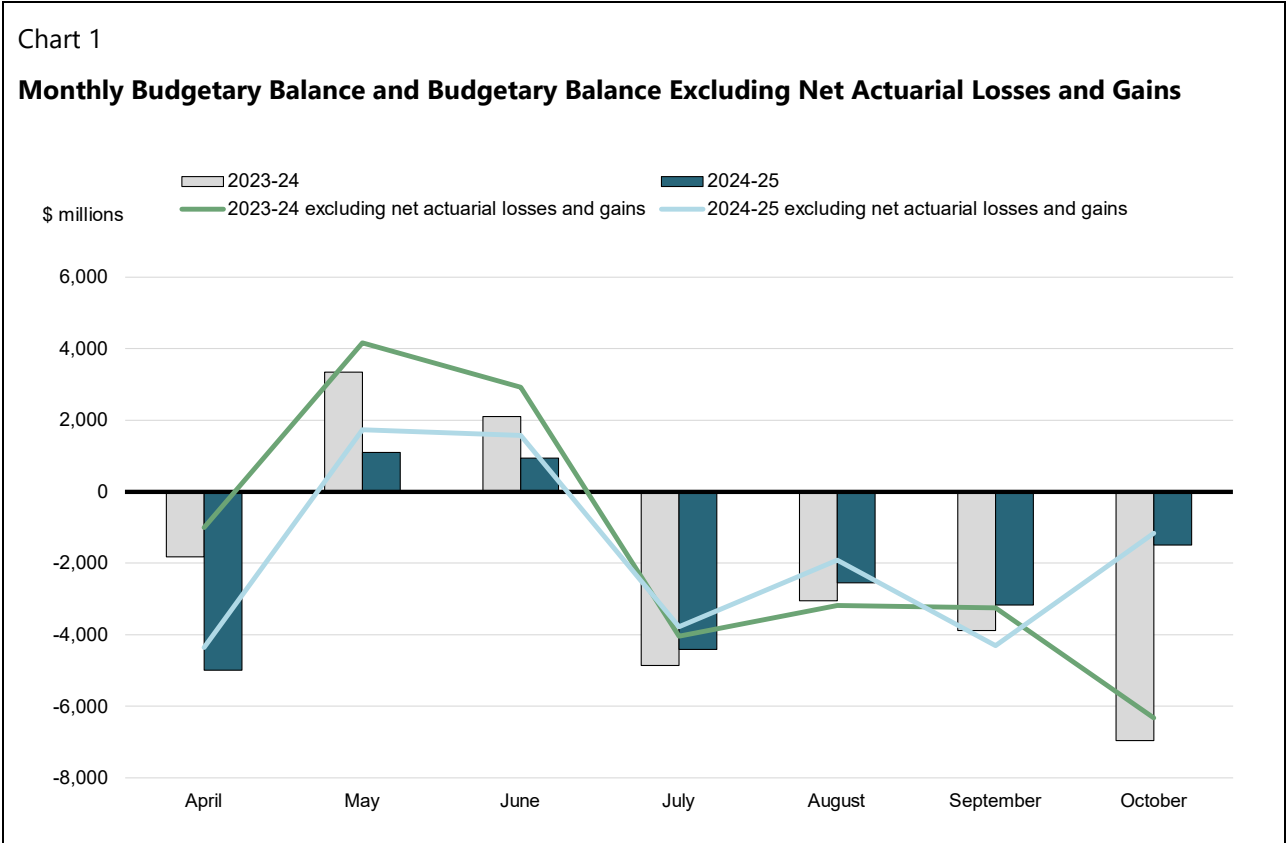
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# Highlights

## October 2024

There was a budgetary deficit of \$1.5 billion in October 2024, compared to a deficit of \$7.0 billion in October 2023. The budgetary deficit before net actuarial losses and gains was \$1.2 billion, compared to a deficit of \$6.3 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 October 2023:

- Revenues increased by \$6.2 billion, or 18.0 per cent, largely reflecting higher corporate income tax revenue and other revenues.
- Program expenses excluding net actuarial losses were up \$1.0 billion, or 2.6 per cent, as lower direct program expenses were more than offset by increases in other major categories of expenses.
- Public debt charges were up \$0.1 billion, or 2.4 per cent, largely reflecting an increase in the stock of marketable bonds, offset in part by lower Consumer Price Index adjustments on Real Return Bonds relative to adjustments in October 2023.
- Net actuarial losses were down \$0.3 billion, or 46.8 per cent, reflecting the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans prepared for the *Public Accounts of Canada 2024*, as well as the end of the amortization of certain prior years' net actuarial losses.

## April to October 2024

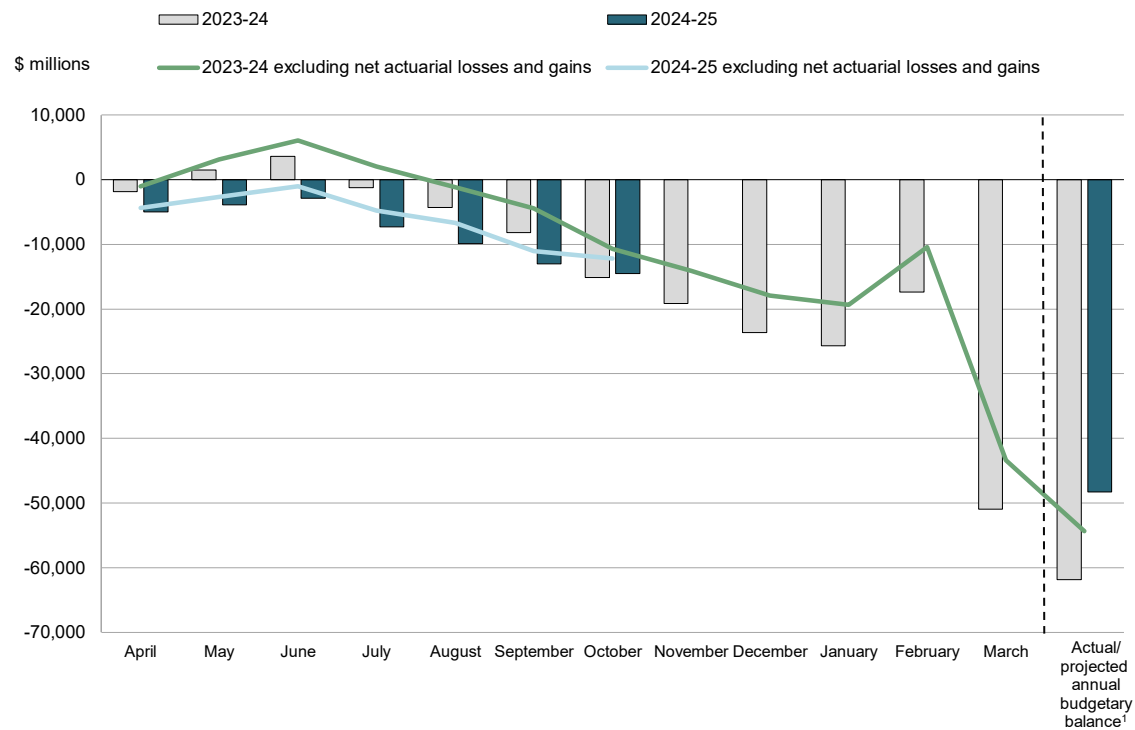
The government posted a budgetary deficit of \$14.5 billion for the April to October period of the 2024-25 fiscal year, compared to a deficit of \$15.1 billion reported for the same period of 2023-24. The budgetary deficit before net actuarial losses was \$12.2 billion, compared to a deficit of \$10.7 billion in the April to October period of 2023-24.

Compared to 2023-24:

- Revenues were up \$26.5 billion, or 10.7 per cent, reflecting increases in all categories of revenue.
- Program expenses excluding net actuarial losses were up \$22.7 billion, or 9.8 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 \$5.3 billion, or 19.4 per cent, primarily reflecting higher effective rates on the outstanding stock of marketable bonds and treasury bills.
- Net actuarial losses decreased by \$2.1 billion, or 46.8 per cent, reflecting both the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2024, 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



<sup>1</sup>Source: Annual Financial Report of the Government of Canada 2023-2024; 2024 Fall Economic Statement

Table 1

### Summary statement of transactions

\$ millions

	October		April to October	
	2023	2024	2023-24	2024-25
<b>Budgetary transactions</b>				
Revenues	34,747	40,989	246,867	273,399
Expenses				
Program expenses, excluding net actuarial losses	-36,895	-37,867	-230,404	-253,092
Public debt charges	-4,181	-4,280	-27,184	-32,466
Budgetary balance, excluding net actuarial losses	-6,329	-1,158	-10,721	-12,159
Net actuarial losses	-630	-335	-4,410	-2,345
Budgetary balance (deficit/surplus)	-6,959	-1,493	-15,131	-14,504
<b>Non-budgetary transactions</b>	2,982	-3,352	-32,105	-53,739
<b>Financial source/requirement</b>	-3,977	-4,845	-47,236	-68,243
<b>Net change in financing activities</b>	14,897	4,274	58,790	40,790
<b>Net change in cash balances</b>	10,920	-571	11,554	-27,453
<b>Cash balance at end of period</b>			53,352	39,203

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

# Revenues

Revenues in October 2024 totalled \$41.0 billion, up \$6.2 billion, or 18.0 per cent, from October 2023.

- Tax revenues increased by \$3.8 billion, or 12.7 per cent, compared to the same period in 2023-24, largely as a result of higher corporate income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$0.3 billion, or 39.8 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 13.0 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$1.9 billion, or 88.2 per cent, largely reflecting higher net profits from enterprise Crown corporations.

Revenues for the April to October period of 2024-25 totalled \$273.4 billion, up \$26.5 billion, or 10.7 per cent, from the same period in 2023-24.

- Tax revenues increased by \$17.1 billion, or 8.3 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 \$1.6 billion, or 30.4 per cent, reflecting higher carbon pollution pricing in 2024-25.
- EI premium revenues were up \$1.7 billion, or 11.0 per cent, reflecting a higher premium rate and a higher number of persons employed.
- Other revenues were up \$6.1 billion, or 29.6 per cent, largely reflecting higher net profits from enterprise Crown corporations, higher interest and penalties revenues, and higher net foreign exchange revenues.

Table 2

**Revenues**

	<b>October</b>		<b>Change</b>	<b>April to October</b>		<b>Change</b>
	<b>2023</b>	<b>2024</b>		<b>2023-24</b>	<b>2024-25</b>	
	<b>(\$ millions)</b>		<b>(%)</b>	<b>(\$ millions)</b>		<b>(%)</b>
<b>Tax revenues</b>						
Income taxes						
Personal	16,996	17,829	4.9	115,559	123,185	6.6
Corporate	4,967	8,067	62.4	39,819	46,705	17.3
Non-resident	1,446	1,392	-3.7	7,002	7,896	12.8
Total income tax revenues	23,409	27,288	16.6	162,380	177,786	9.5
Other taxes and duties						
Goods and Services Tax	5,533	5,187	-6.3	32,401	33,500	3.4
Energy taxes	378	422	11.6	3,043	3,290	8.1
Customs import duties	472	864	83.1	3,337	3,566	6.9
Other excise taxes and duties	509	388	-23.8	4,041	4,153	2.8
Total other taxes and duties	6,892	6,861	-0.4	42,822	44,509	3.9
Total tax revenues	30,301	34,149	12.7	205,202	222,295	8.3
<b>Pollution pricing proceeds to be returned to Canadians</b>	693	969	39.8	5,192	6,769	30.4
<b>Employment Insurance premiums</b>	1,583	1,788	13.0	15,812	17,554	11.0
<b>Other revenues</b>	2,170	4,083	88.2	20,661	26,781	29.6
<b>Total revenues</b>	34,747	40,989	18.0	246,867	273,399	10.7

Note: Totals may not add due to rounding.

# Expenses

Program expenses excluding net actuarial losses in October 2024 were \$37.9 billion, up \$1.0 billion, or 2.6 per cent, from October 2023.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$1.1 billion or 10.5 per cent.
  - Elderly benefits increased by \$0.4 billion, or 5.6 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 \$0.3 billion, or 16.4 per cent, largely reflecting the timing of Labour Market Development Agreements payments.
  - COVID-19 income support for workers increased \$0.2 billion, or 87.5 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 8.7 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 4.6 per cent, mainly reflecting 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 \$0.5 billion, or 20.3 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Direct program expenses were down \$0.9 billion, or 5.3 per cent. Within direct program expenses:
  - Other transfer payments decreased by \$1.0 billion, or 14.1 per cent, driven by year-over-year differences in provisions for contingent liabilities.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.1 billion, or 0.5 per cent, largely reflecting higher personnel costs, offset in part by lower public health expenses and bad debt expenses.

Public debt charges increased \$0.1 billion, or 2.4 per cent, largely reflecting an increase in the stock of marketable bonds, offset in part by lower Consumer Price Index adjustments on Real Return Bonds relative to adjustments in October 2023.

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 \$0.3 billion, or 46.8 per cent, reflecting the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans prepared for the *Public Accounts of Canada 2024*, as well as the end of the amortization of certain prior years' net actuarial losses.



For the April to October period of 2024-25, program expenses excluding net actuarial losses were \$253.1 billion, up \$22.7 billion, or 9.8 per cent, from the same period the previous year.

- Major transfers to persons were up \$8.1 billion or 11.9 per cent.
  - Elderly benefits increased by \$2.9 billion, or 6.7 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 \$1.7 billion, or 14.8 per cent, largely reflecting the higher unemployment rate in this period compared to the previous year.
  - COVID-19 income support for workers increased \$2.1 billion, or 85.2 per cent, reflecting a decrease in redeterminations of benefits.
  - Children's benefits were up \$1.4 billion, or 9.2 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 \$4.7 billion, or 8.6 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 \$1.6 billion, or 21.6 per cent, largely reflecting an increase in the rate of the Canada Carbon Rebate.
- Direct program expenses were up \$8.4 billion, or 8.3 per cent. Within direct program expenses:
  - Other transfer payments increased by \$5.4 billion, or 14.7 per cent, reflecting a number of factors including higher transfers with respect to Indigenous Peoples, an increase in Canada Workers Benefit payments, transfers under the Canadian Dental Care Plan, and funding for the Local Leadership for Climate Adaptation initiative to help communities adapt to climate change.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$2.9 billion, or 4.6 per cent, largely reflecting an increase in personnel costs and bad debt and interest expense, offset in part by lower public health expenses.

Public debt charges increased by \$5.3 billion, or 19.4 per cent, primarily reflecting higher effective rates on the outstanding stock of marketable bonds and treasury bills.

Net actuarial losses decreased by \$2.1 billion, or 46.8 per cent, reflecting both the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2024, and the end of the amortization of certain prior years' net actuarial losses.

Table 3

**Expenses**

	October			April to October		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
<b>Major transfers to persons</b>						
Elderly benefits	6,459	6,818	5.6	43,662	46,573	6.7
Employment Insurance benefits	1,672	1,946	16.4	11,694	13,428	14.8
COVID-19 income support for workers <sup>1</sup>	-265	-33	87.5	-2,413	-358	85.2
Children's benefits	2,244	2,439	8.7	15,002	16,383	9.2
Total major transfers to persons	10,110	11,170	10.5	67,945	76,026	11.9
<b>Major transfers to provinces, territories and municipalities</b>						
Canada Health Transfer	4,118	4,340	5.4	28,829	30,380	5.4
Canada Social Transfer	1,368	1,409	3.0	9,576	9,863	3.0
Equalization	1,997	2,104	5.4	13,978	14,731	5.4
Territorial Formula Financing	329	351	6.7	3,191	3,405	6.7
Canada-wide early learning and child care	-	3	n/a	1,788	2,018	12.9
Canada Community-Building Fund	-	-	n/a	1,184	1,175	-0.8
Health agreements with provinces/territories <sup>2</sup>	-	-	n/a	-	2,250	n/a
Other fiscal arrangements <sup>3</sup>	-576	-638	-10.8	-3,998	-4,582	-14.6
Total major transfers to provinces, territories and municipalities	7,236	7,569	4.6	54,548	59,240	8.6
<b>Pollution pricing proceeds returned to Canadians</b>	2,396	2,882	20.3	7,216	8,778	21.6
<b>Direct program expenses</b>						
Other transfer payments	6,766	5,809	-14.1	36,752	42,158	14.7
Operating expenses	10,387	10,437	0.5	63,943	66,890	4.6
Total direct program expenses	17,153	16,246	-5.3	100,695	109,048	8.3
<b>Total program expenses, excluding net actuarial losses</b>	36,895	37,867	2.6	230,404	253,092	9.8
<b>Public debt charges</b>	4,181	4,280	2.4	27,184	32,466	19.4
<b>Total expenses, excluding net actuarial losses</b>	41,076	42,147	2.6	257,588	285,558	10.9
Net actuarial losses	630	335	-46.8	4,410	2,345	-46.8
<b>Total expenses</b>	41,706	42,482	1.9	261,998	287,903	9.9

Note: Totals may not add due to rounding.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

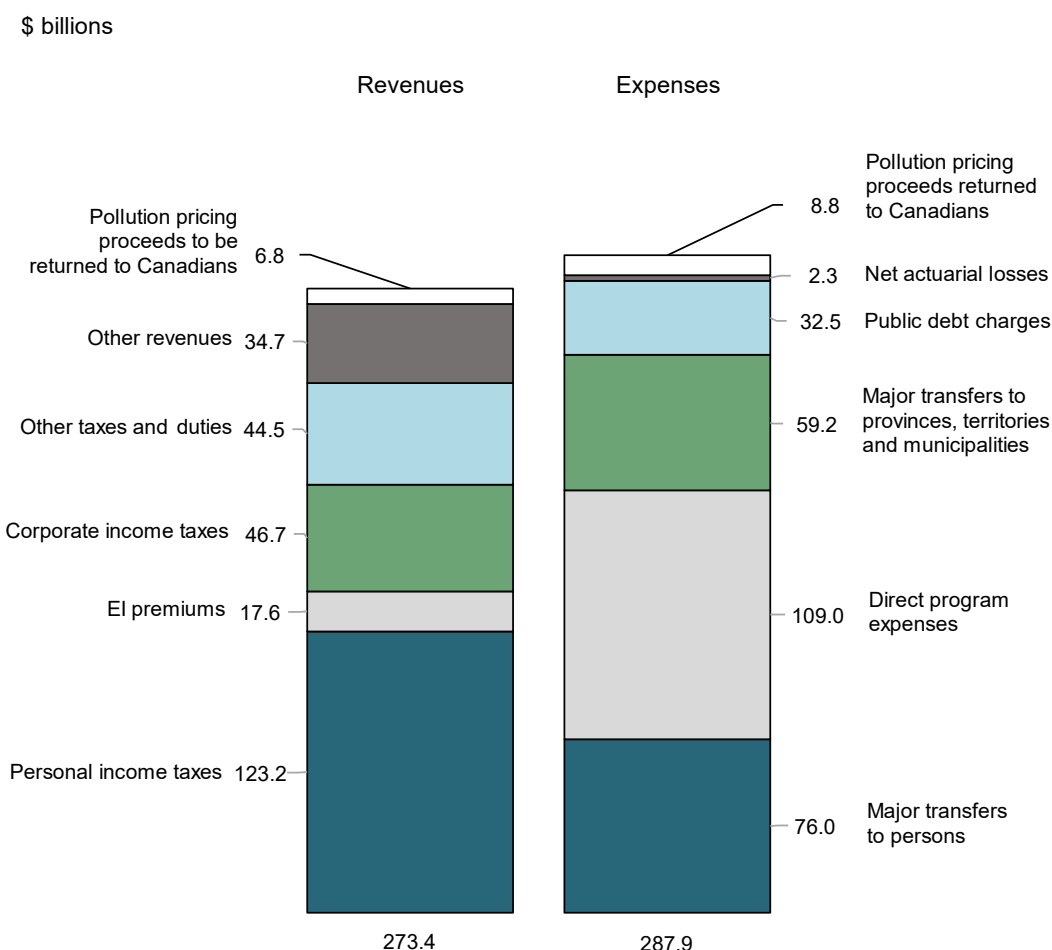
**Total expenses by object of expense**

	October			April to October		
	2023	2024	Change	2023-24	2024-25	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	26,508	27,430	3.5	166,461	186,202	11.9
Other expenses						
Personnel, excluding net actuarial losses	5,781	6,338	9.6	37,954	41,167	8.5
Transportation and communications	265	315	18.9	1,583	1,766	11.6
Information	36	42	16.7	195	203	4.1
Professional and special services	1,546	1,896	22.6	8,913	10,083	13.1
Rentals	428	424	-0.9	2,649	2,699	1.9
Repair and maintenance	532	368	-30.8	2,112	1,921	-9.0
Utilities, materials and supplies	459	271	-41.0	2,662	1,801	-32.3
Other subsidies and expenses	896	324	-63.8	4,770	4,076	-14.5
Amortization of tangible capital assets	427	451	5.6	3,037	3,112	2.5
Net loss on disposal of assets	17	8	-52.9	68	62	-8.8
Total other expenses	10,387	10,437	0.5	63,943	66,890	4.6
<b>Total program expenses, excluding net actuarial losses</b>	36,895	37,867	2.6	230,404	253,092	9.8
<b>Public debt charges</b>	4,181	4,280	2.4	27,184	32,466	19.4
<b>Total expenses, excluding net actuarial losses</b>	41,076	42,147	2.6	257,588	285,558	10.9
Net actuarial losses	630	335	-46.8	4,410	2,345	-46.8
<b>Total expenses</b>	41,706	42,482	1.9	261,998	287,903	9.9

Note: Totals may not add due to rounding.

Chart 3

### Revenues and expenses (April to October 2024)



Note: Totals may not add due to rounding.

## Financial requirement of \$68.2 billion for April to October 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 \$14.5 billion and a requirement of \$53.7 billion from non-budgetary transactions, there was a financial requirement of \$68.2 billion for the April to October 2024 period, compared to a financial requirement of \$47.2 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

	October		April to October	
	2023	2024	2023-24	2024-25
<b>Budgetary balance (deficit/surplus)</b>	-6,959	-1,493	-15,131	-14,504
<b>Non-budgetary transactions</b>				
Accounts payable, accrued liabilities and accounts receivable	3,188	-2,874	-21,791	-22,628
Pensions, other future benefits, and other liabilities	970	533	6,125	4,311
Foreign exchange accounts and derivatives	-1,092	1,876	-10,675	-5,839
Loans, investments and advances	311	-2,214	-4,443	-25,668
Non-financial assets	-395	-673	-1,321	-3,915
Total non-budgetary transactions	2,982	-3,352	-32,105	-53,739
<b>Financial source/requirement</b>	-3,977	-4,845	-47,236	-68,243

Note: Totals may not add due to rounding.

## Net financing activities up \$40.8 billion

The government financed this financial requirement of \$68.2 billion by increasing unmatured debt by \$40.8 billion and drawing down cash balances by \$27.5 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 2024 stood at \$39.2 billion, down \$14.1 billion from their level at the end of October 2023.

Table 6

**Financial source/requirement and net financing activities**

\$ millions

	<b>October</b>		<b>April to October</b>	
	<b>2023</b>	<b>2024</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Financial source/requirement</b>	-3,977	-4,845	-47,236	-68,243
<b>Net increase (+)/decrease (-) in financing activities</b>				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	13,276	4,323	-2,599	21,272
Treasury bills	726	1,464	55,003	14,156
Total Canadian currency borrowings	14,002	5,787	52,404	35,428
Foreign currency borrowings	912	-1,492	6,536	5,529
Total market debt transactions	14,914	4,295	58,940	40,957
Obligations related to capital leases and other unmaturred debt	-17	-21	-150	-167
<b>Net change in financing activities</b>	14,897	4,274	58,790	40,790
<b>Change in cash balance</b>	10,920	-571	11,554	-27,453
<b>Cash balance at end of period</b>			53,352	39,203

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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