



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for June 2025

Canada

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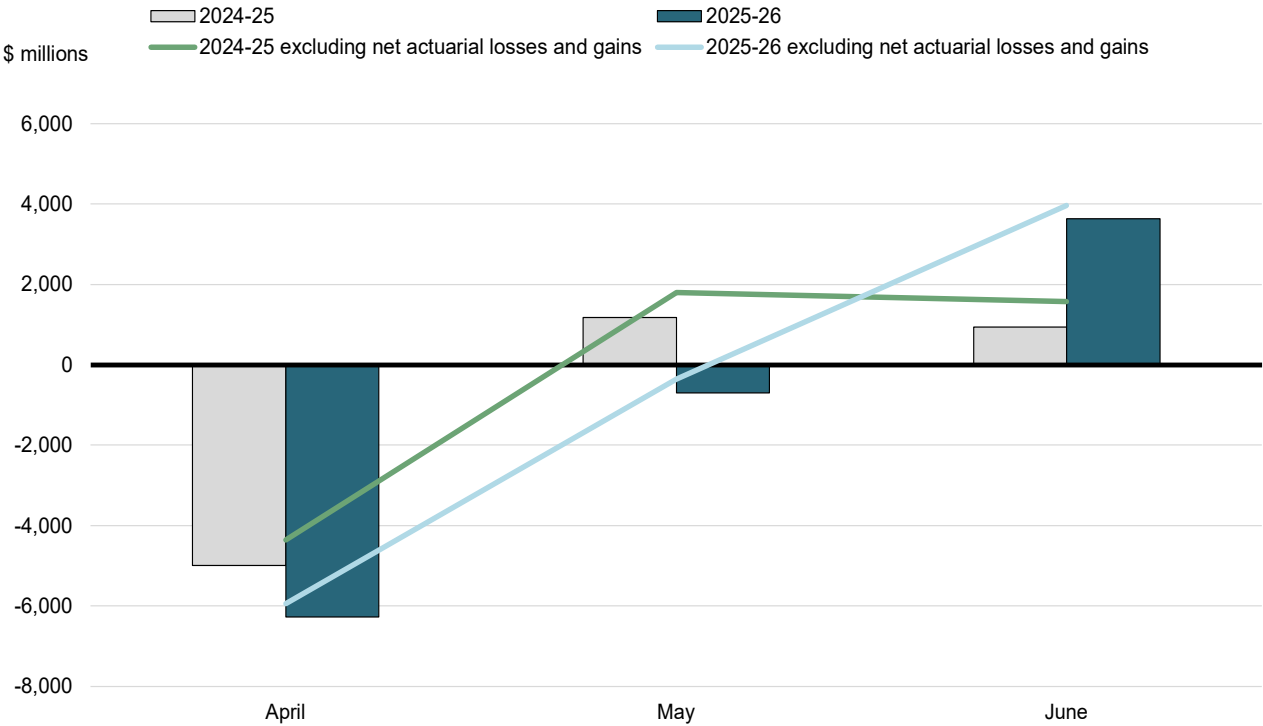
Highlights

June 2025

There was a budgetary surplus of \$3.6 billion in June 2025, compared to a surplus of \$0.9 billion in June 2024. The budgetary surplus before net actuarial losses and gains was \$4.0 billion, compared to a surplus of \$1.6 billion in the same period of 2024-25. 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.

Chart 1

Monthly Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains



Compared to June 2024:

- Revenues increased by \$4.0 billion, or 9.8 per cent, largely reflecting higher corporate income tax revenue.
- Program expenses excluding net actuarial losses were up \$2.0 billion, or 5.9 per cent, largely reflecting higher transfers to provinces, territories and municipalities and higher transfers to persons.
- Public debt charges were down \$0.4 billion, or 9.6 per cent, largely reflecting lower interest rates on treasury bills and lower Consumer Price Index adjustments on Real Return Bonds, offset in part by an increase in the stock and average effective interest rate of marketable bonds.
- Net actuarial losses were down \$0.3 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 prepared for the *Public Accounts of Canada 2024*, which began partway through 2024-25, and the end of the amortization of certain prior years' net actuarial losses.

April to June 2025

The government posted a budgetary deficit of \$3.3 billion for the April to June period of the 2025-26 fiscal year, compared to a deficit of \$2.9 billion reported for the same period of 2024-25. The budgetary deficit before net actuarial losses was \$2.3 billion, compared to a deficit of \$1.0 billion in the April to June period of 2024-25.

Compared to 2024-25:

- Revenues were up \$3.5 billion, or 2.9 per cent, reflecting increases in customs import duties, and corporate and personal income tax revenues. The increase in customs import duties is due to the countermeasures imposed in response to U.S. tariffs.
- Program expenses excluding net actuarial losses were up \$5.0 billion, or 4.6 per cent, reflecting increases across most major categories of spending.
- Public debt charges decreased by \$0.1 billion, or 0.6 per cent, as the impact of lower interest rates on treasury bills was largely offset by higher average effective rates on an increased stock of marketable bonds.
- Net actuarial losses decreased by \$0.9 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

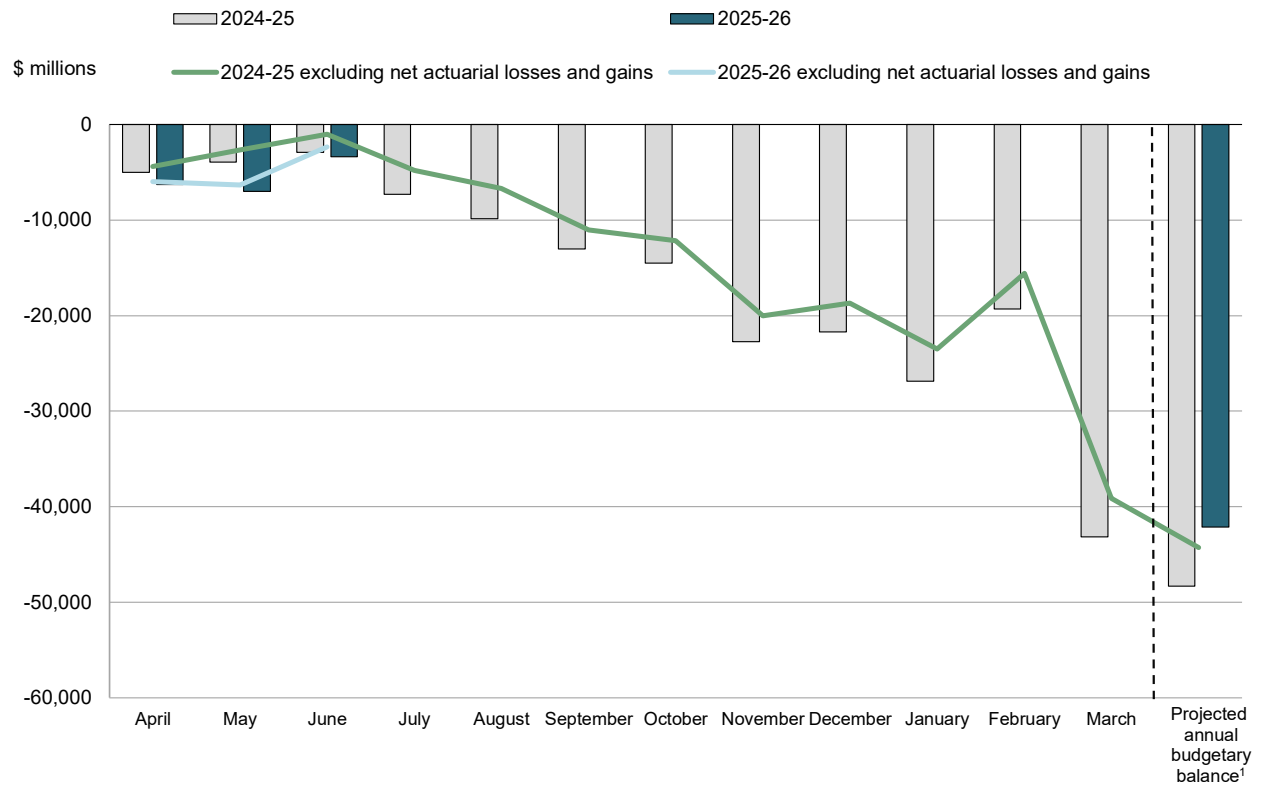
Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains¹ Source: 2024 Fall Economic Statement

Table 1

Summary statement of transactions

\$ millions

	June		April to June	
	2024	2025	2024-25	2025-26
Budgetary transactions				
Revenues ¹	40,826	44,808	120,388	123,928
Expenses				
Program expenses, excluding net actuarial losses	-34,643	-36,675	-107,518	-112,488
Public debt charges	-4,614	-4,169	-13,862	-13,773
Budgetary balance, excluding net actuarial losses	1,569	3,964	-992	-2,333
Net actuarial losses	-630	-335	-1,890	-1,005
Budgetary balance (deficit/surplus)	939	3,629	-2,882	-3,338
Non-budgetary transactions	-10,216	-11,279	-33,642	-27,193
Financial source/requirement	-9,277	-7,650	-36,524	-30,531
Net change in financing activities	1,853	-4,614	10,656	36,994
Net change in cash balances	-7,424	-12,264	-25,868	6,463
Cash balance at end of period			40,788	52,604

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

¹ Year-to-date results for 2025-26 have been reduced by \$467 million to reflect a correction to the amount originally reported for personal income tax revenues for May 2025.

Revenues

Revenues in June 2025 totalled \$44.8 billion, up \$4.0 billion, or 9.8 per cent, from June 2024.

- Tax revenues increased by \$5.3 billion, or 16.1 per cent, compared to the same period in 2024-25, largely reflecting higher corporate income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were down \$1.3 billion, or 111.8 per cent, reflecting the cessation of the application of the federal fuel charge effective April 1, 2025.
- Employment Insurance (EI) premium revenues were up \$0.1 billion, or 3.1 per cent, reflecting a higher number of persons employed.
- Other revenues were down \$0.1 billion, or 1.7 per cent, largely reflecting lower interest and penalty revenue, offset in part by higher revenues from enterprise Crown corporations.

Revenues for the April to June period of 2025-26 totalled \$123.9 billion, up \$3.5 billion, or 2.9 per cent, from the same period in 2024-25.

- Tax revenues increased by \$3.4 billion, or 3.5 per cent, compared to the same period in 2024-25, reflecting increases in customs import duties, and corporate and personal income tax revenues. The increase in customs import duties is due to the countermeasures imposed in response to U.S. tariffs.
- Pollution pricing proceeds to be returned to Canadians were down \$0.2 billion, or 6.3 per cent, reflecting the cessation of the application of the federal fuel charge.
- EI premium revenues were up \$46 million, or 0.5 per cent.
- Other revenues were up \$0.3 billion, or 2.4 per cent, reflecting higher revenues from enterprise Crown corporations and net foreign exchange revenues, largely offset by lower interest and penalty revenue.

Table 2

Revenues

	June		Change	April to June		Change
	2024	2025		2024-25	2025-26	
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal ¹	18,256	19,012	4.1	52,779	53,916	2.2
Corporate	7,829	11,626	48.5	21,855	23,487	7.5
Non-resident	1,012	728	-28.1	3,483	3,097	-11.1
Total income tax revenues	27,097	31,366	15.8	78,117	80,500	3.1
Other taxes and duties						
Goods and Services Tax	4,310	4,660	8.1	14,924	13,487	-9.6
Energy taxes	448	445	-0.7	1,293	1,308	1.2
Customs import duties	419	1,211	189.0	1,261	3,567	182.9
Other taxes, excise taxes and duties	630	507	-19.5	1,656	1,814	9.5
Total other taxes and duties	5,807	6,823	17.5	19,134	20,176	5.4
Total tax revenues	32,904	38,189	16.1	97,251	100,676	3.5
Pollution pricing proceeds to be returned to Canadians	1,188	-140	-111.8	3,121	2,923	-6.3
Employment Insurance premiums	2,872	2,962	3.1	8,999	9,045	0.5
Other revenues	3,862	3,797	-1.7	11,017	11,284	2.4
Total revenues	40,826	44,808	9.8	120,388	123,928	2.9

Note: Totals may not add due to rounding.

¹ Year-to-date results for 2025-26 have been reduced by \$467 million to reflect a correction to the amount originally reported for personal income tax revenues for May 2025.

Expenses

Program expenses excluding net actuarial losses in June 2025 were \$36.7 billion, up \$2.0 billion, or 5.9 per cent, from June 2024.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$1.0 billion or 9.2 per cent.
 - Elderly benefits increased by \$0.1 billion, or 0.9 per cent.
 - EI benefits increased by \$0.7 billion, or 48.3 per cent, largely reflecting a higher unemployment rate in June this year.
 - COVID-19 income support for workers increased \$0.1 billion, or 145.7 per cent, reflecting lower redeterminations of benefits, as well as current-year revisions to previous redeterminations.
 - Children's benefits were up \$0.1 billion, or 6.4 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 \$1.6 billion, or 19.6 per cent, largely reflecting a year-over-year difference in the timing of payments for Canada-wide early learning and child care and 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 \$30 million, or 14.8 per cent.
- Direct program expenses were down \$0.6 billion, or 3.7 per cent. Within direct program expenses:
 - Other transfer payments decreased by \$1.5 billion, or 23.8 per cent, largely reflecting a payment to support the construction and maintenance of Indigenous community infrastructure in the prior year that did not reoccur in the current year.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$0.9 billion, or 10.0 per cent, reflecting a number of factors, including an increase in personnel costs and year-over-year differences in the timing of expenses for defence and public health.

Public debt charges decreased \$0.4 billion, or 9.6 per cent, largely reflecting lower interest rates on treasury bills and lower Consumer Price Index adjustments on Real Return Bonds, offset in part by an increase in the stock and average effective interest rate of marketable bonds.

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, largely reflecting the amortization of gains arising from actuarial valuations 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 June period of 2025-26, program expenses excluding net actuarial losses were \$112.5 billion, up \$5.0 billion, or 4.6 per cent, from the same period the previous year.

- Major transfers to persons were up \$2.1 billion or 6.7 per cent.
 - Elderly benefits increased by \$0.4 billion, or 2.0 per cent, largely reflecting changes in consumer prices, to which benefits are fully indexed.
 - EI benefits increased by \$1.0 billion, or 20.1 per cent, largely reflecting a higher unemployment rate in this period compared to the previous year.
 - COVID-19 income support for workers increased \$0.2 billion, or 84.5 per cent, reflecting a net decrease in redeterminations of benefits.
 - Children's benefits were up \$0.5 billion, or 7.3 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 \$2.6 billion, or 9.6 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 for Canada-wide early learning and child care.
- Pollution pricing proceeds returned to Canadians decreased by \$0.3 billion, or 9.7 per cent, reflecting year-over-year timing differences. The Canada Carbon Rebate is being wound down, following the removal of the federal fuel charge.
- Direct program expenses were up \$0.6 billion, or 1.2 per cent. Within direct program expenses:
 - Other transfer payments decreased by \$1.6 billion, or 8.3 per cent, largely reflecting a payment to support the construction and maintenance of Indigenous community infrastructure in the prior year that did not reoccur in the current year.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$2.2 billion, or 8.2 per cent, reflecting a number of factors, including an increase in personnel costs, higher bad debt expense, year-over-year differences in the timing of expenses, and costs associated with the April 2025 general election.

Public debt charges decreased by \$0.1 billion, or 0.6 per cent, as the impact of lower interest rates on treasury bills was largely offset by higher average effective rates on an increased stock of marketable bonds.

Net actuarial losses decreased by \$0.9 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 as at March 31, 2024, which began partway through 2024-25, and the end of the amortization of certain prior years' net actuarial losses.

Table 3

Expenses

	June			April to June		
	2024	2025	Change	2024-25	2025-26	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,657	6,716	0.9	19,811	20,210	2.0
Employment Insurance benefits	1,447	2,146	48.3	5,156	6,191	20.1
COVID-19 income support for workers ¹	-35	16	145.7	-206	-32	84.5
Children's benefits	2,300	2,448	6.4	6,896	7,398	7.3
Total major transfers to persons	10,369	11,326	9.2	31,657	33,767	6.7
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,340	4,557	5.0	13,020	13,671	5.0
Canada Social Transfer	1,409	1,451	3.0	4,227	4,354	3.0
Equalization	2,104	2,181	3.7	6,313	6,542	3.6
Territorial Formula Financing	351	373	6.3	2,002	2,130	6.4
Canada-wide early learning and child care	740	1,868	152.4	740	1,868	152.4
Canada Community-Building Fund	-	-	n/a	-	-	n/a
Health agreements with provinces/territories ²	-	-	n/a	2,186	2,431	11.2
Other fiscal arrangements ³	-615	-467	24.1	-1,861	-1,805	3.0
Total major transfers to provinces, territories and municipalities	8,329	9,963	19.6	26,627	29,191	9.6
Pollution pricing proceeds returned to Canadians	203	233	14.8	2,758	2,490	-9.7
Direct program expenses						
Other transfer payments	6,394	4,874	-23.8	19,714	18,079	-8.3
Operating expenses	9,348	10,279	10.0	26,762	28,961	8.2
Total direct program expenses	15,742	15,153	-3.7	46,476	47,040	1.2
Total program expenses, excluding net actuarial losses	34,643	36,675	5.9	107,518	112,488	4.6
Public debt charges	4,614	4,169	-9.6	13,862	13,773	-0.6
Total expenses, excluding net actuarial losses	39,257	40,844	4.0	121,380	126,261	4.0
Net actuarial losses	630	335	-46.8	1,890	1,005	-46.8
Total expenses	39,887	41,179	3.2	123,270	127,266	3.2

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; statutory subsidies; and other items.

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

Table 4

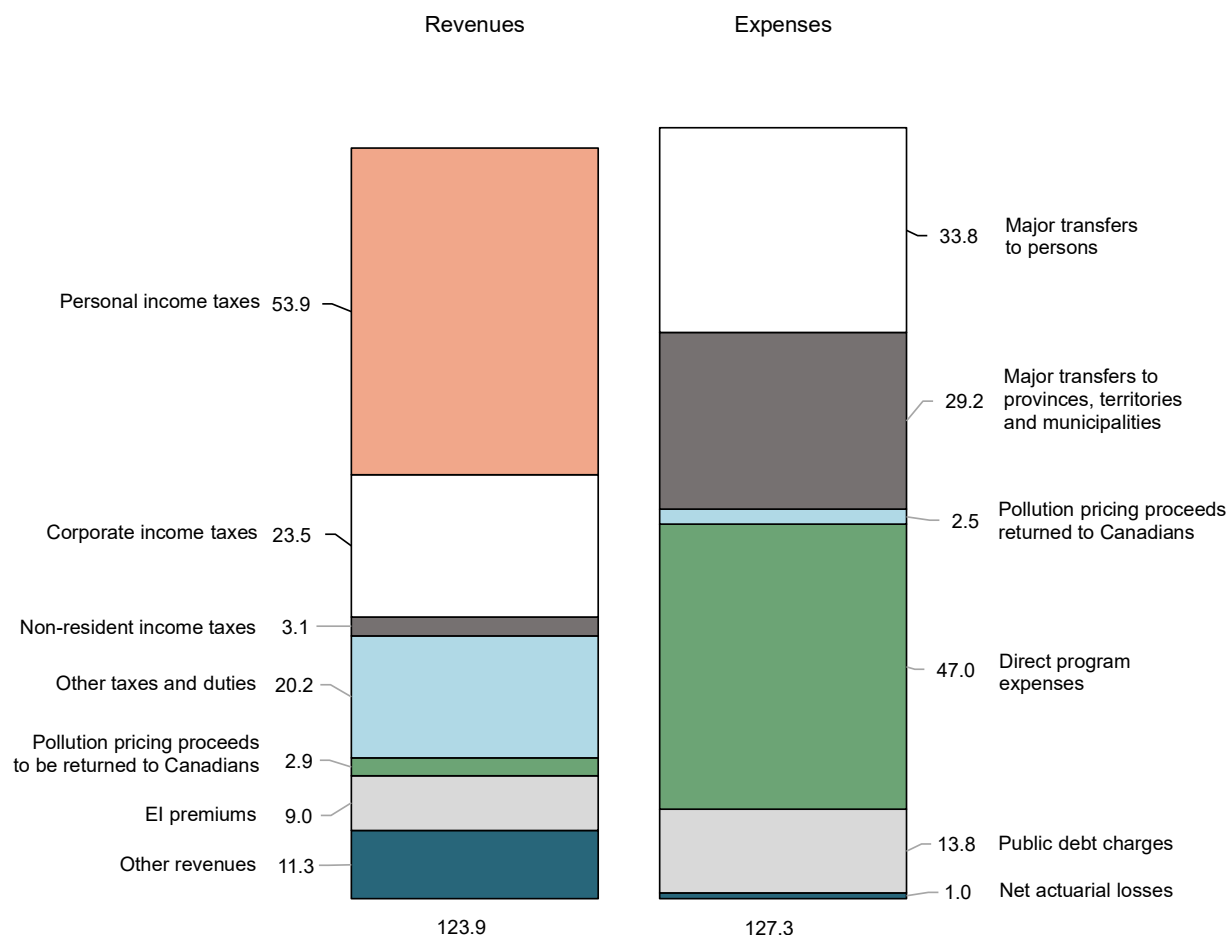
Total expenses by object of expense

	June			April to June		
	2024	2025	Change	2024-25	2025-26	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	25,295	26,396	4.4	80,756	83,527	3.4
Other expenses						
Personnel, excluding net actuarial losses	5,565	5,983	7.5	17,039	18,033	5.8
Transportation and communications	261	279	6.9	588	684	16.3
Information	24	27	12.5	62	74	19.4
Professional and special services	1,578	1,535	-2.7	3,145	3,230	2.7
Rentals	451	478	6.0	1,203	1,376	14.4
Repair and maintenance	280	297	6.1	596	594	-0.3
Utilities, materials and supplies	256	428	67.2	666	919	38.0
Other subsidies and expenses	481	770	60.1	2,113	2,494	18.0
Amortization of tangible capital assets	442	470	6.3	1,327	1,522	14.7
Net loss on disposal of assets	10	12	20.0	23	35	52.2
Total other expenses	9,348	10,279	10.0	26,762	28,961	8.2
Total program expenses, excluding net actuarial losses	34,643	36,675	5.9	107,518	112,488	4.6
Public debt charges	4,614	4,169	-9.6	13,862	13,773	-0.6
Total expenses, excluding net actuarial losses	39,257	40,844	4.0	121,380	126,261	4.0
Net actuarial losses	630	335	-46.8	1,890	1,005	-46.8
Total expenses	39,887	41,179	3.2	123,270	127,266	3.2

Note: Totals may not add due to rounding.

Chart 3

Revenues and expenses (April to June 2025)



Note: Totals may not add due to rounding.

Financial requirement of \$30.5 billion for April to June 2025

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 \$3.3 billion and a requirement of \$27.2 billion from non-budgetary transactions, there was a financial requirement of \$30.5 billion for the April to June 2025 period, compared to a financial requirement of \$36.5 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	June		April to June	
	2024	2025	2024-25	2025-26
Budgetary balance (deficit/surplus)¹	939	3,629	-2,882	-3,338
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-5,485	-1,815	-16,200	-15,237
Pensions, other future benefits, and other liabilities	1,090	803	2,157	2,147
Foreign exchange accounts and derivatives	-300	-1,600	-7,758	3,739
Loans, investments and advances	-4,667	-8,370	-10,789	-16,439
Non-financial assets	-854	-297	-1,052	-1,403
Total non-budgetary transactions	-10,216	-11,279	-33,642	-27,193
Financial source/requirement	-9,277	-7,650	-36,524	-30,531

Note: Totals may not add due to rounding.

¹ Year-to-date results for 2025-26 have been adjusted by \$467 million to reflect a correction to reduce the amount originally reported for personal income tax revenues for May 2025.

Net financing activities up \$37.0 billion

The government financed this financial requirement of \$30.5 billion and increased cash balances by \$6.5 billion by increasing unmatured debt by \$37.0 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of June 2025 stood at \$52.6 billion, up \$11.8 billion from their level at the end of June 2024.

Table 6

Financial source/requirement and net financing activities

\$ millions

	June		April to June	
	2024	2025	2024-25	2025-26
Financial source/requirement¹	-9,277	-7,650	-36,524	-30,531
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	1,208	-2,334	-8,645	29,146
Treasury bills	379	-3,524	14,040	14,735
Total Canadian currency borrowings	1,587	-5,858	5,395	43,881
Foreign currency borrowings	285	1,064	5,348	-6,997
Total market debt transactions	1,872	-4,794	10,743	36,884
Obligations related to capital leases and other unmaturred debt	-19	180	-87	110
Net change in financing activities	1,853	-4,614	10,656	36,994
Change in cash balance	-7,424	-12,264	-25,868	6,463
Cash balance at end of period			40,788	52,604

Note: Totals may not add due to rounding.

¹ Year-to-date results for 2025-26 have been adjusted by \$467 million to reflect a correction to reduce the amount originally reported for personal income tax revenues for May 2025.

Notes

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

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

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August 2025