Department of Finance Canada
Ministère des Finances Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for June 2026

Canada

Cette publication est également disponible en français.

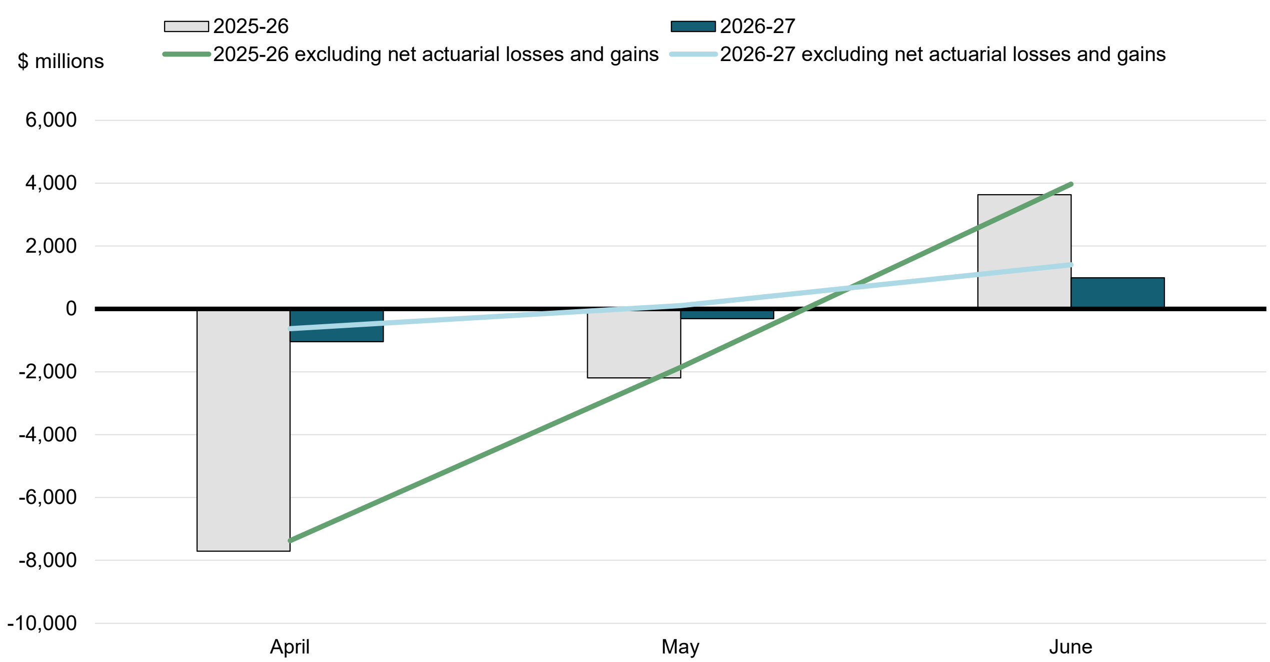
Cat. No.: F12-4E-PDF
ISSN: 1487-0134

Highlights

June 2026

There was a budgetary surplus of $1.0 billion in June 2026, compared to a surplus of $3.6 billion in June 2025. The budgetary surplus before net actuarial losses and gains was $1.4 billion, compared to a surplus of $4.0 billion in the same period of 2025-26. 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 2025:

- Revenues increased by $10 million, as lower corporate income tax revenues were more than offset by increases in other revenue streams.
- Program expenses excluding net actuarial losses were up $2.1 billion, or 5.6 per cent, largely reflecting higher direct program expenses.
- Public debt charges were up $0.5 billion, or 12.4 per cent, largely reflecting an increased stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower interest rates on treasury bills.
- Net actuarial losses were up $0.1 billion, or 23.9 per cent, reflecting the amortization of losses arising from actuarial valuations of the government's pension and other employee future benefit plans prepared for the *Public Accounts of Canada 2025*, which began partway through 2025-26, offset in part by the end of the amortization of certain prior years' net actuarial losses.

April to June 2026

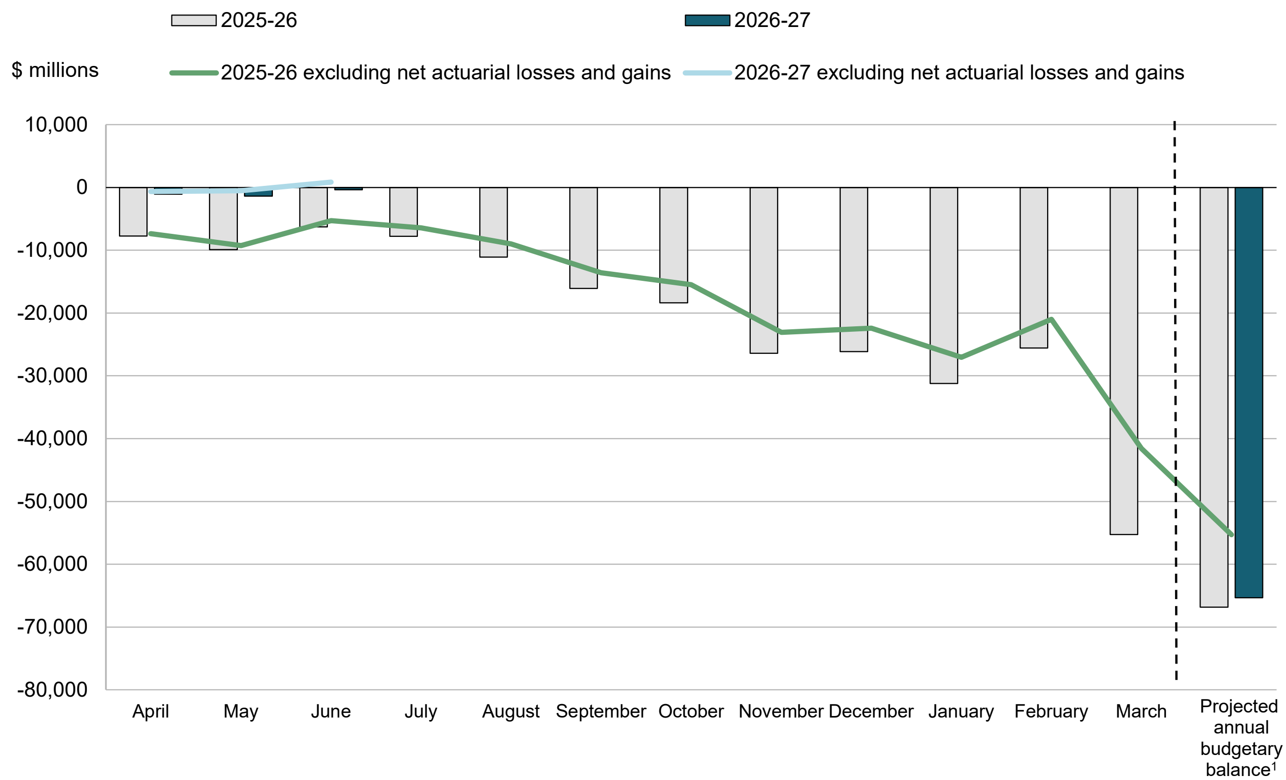
The government posted a budgetary deficit of $0.4 billion for the April to June period of the 2026-27 fiscal year, compared to a deficit of $6.3 billion reported for the same period of 2025-26. The budgetary surplus before net actuarial losses was $0.9 billion, compared to a deficit of $5.3 billion in the April to June period of 2025-26.

Compared to 2025-26:

- Revenues were up $11.8 billion, or 9.8 per cent, largely reflecting increases in personal and corporate income tax revenues, Goods and Services Tax (GST) revenues, and other revenues.
- Program expenses excluding net actuarial losses were up $4.8 billion, or 4.3 per cent, reflecting increases in direct program expenses and major transfers to persons, offset in part by lower pollution pricing proceeds returned to Canadians and lower major transfers to provinces, territories and municipalities.
- Public debt charges increased by $0.8 billion, or 6.1 per cent, largely reflecting higher average effective interest rates on an increased stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower short-term interest rates on treasury bills.
- Net actuarial losses increased by $0.2 billion, or 23.9 per cent, reflecting the amortization of losses arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2025, which began partway through 2025-26, offset in part by 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: Spring Economic Update 2026.

Table 1

Summary statement of transactions

$ millions

	June		April to June	
	2025	2026	2025-26	2026-27
Budgetary transactions				
Revenues	44,808	44,818	120,836	132,644
Expenses				
Program expenses, excluding net actuarial losses	-36,675	-38,730	-112,335	-117,161
Public debt charges	-4,169	-4,684	-13,773	-14,608
Budgetary balance, excluding net actuarial losses	3,964	1,404	-5,272	875
Net actuarial losses	-335	-415	-1,005	-1,245
Budgetary balance (deficit/surplus)	3,629	989	-6,277	-370
Non-budgetary transactions	-11,279	-16,908	-24,254	-39,107
Financial source/requirement	-7,650	-15,919	-30,531	-39,477
Net change in financing activities	-4,614	3,933	36,994	31,042
Net change in cash balances	-12,264	-11,986	6,463	-8,435
Cash balance at end of period			52,604	39,901

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

Revenues

Revenues in June 2026 totalled $44.8 billion, up $10 million from June 2025.

- Tax revenues decreased by $1.6 billion, or 4.1 per cent, compared to the same period in 2025-26, due mainly to a decrease in corporate income tax revenues.
- Employment Insurance (EI) premium revenues were up $0.2 billion, or 6.1 per cent, reflecting a higher number of persons employed and the increase in maximum insurable earnings that took effect January 1, 2026.
- Other revenues were up $1.4 billion, or 38.6 per cent, led by higher interest and penalty revenues, sales of goods and services, revenues from enterprise Crown corporations, and foreign exchange revenues.

Revenues for the April to June period of 2026-27 totalled $132.6 billion, up $11.8 billion, or 9.8 per cent, from the same period in 2025-26.

- Tax revenues increased by $6.9 billion, or 6.8 per cent, compared to the same period in 2025-26, reflecting increases in personal and corporate income tax revenues and GST revenues, partially offset by lower customs import duties. The decrease in customs import duties is attributable to countermeasures imposed in response to U.S. tariffs, which raised revenues in 2025-26 prior to their repeal.
- EI premium revenues were up $0.6 billion, or 6.7 per cent, reflecting a higher number of persons employed and the January 1, 2026, increase in maximum insurable earnings.
- Other revenues were up $4.3 billion, or 38.9 per cent, due mainly to higher interest and penalty revenues, revenues from enterprise Crown corporations, and sales of goods and services.

Table 2
Revenues

	June		Change	April to June		Change
	2025[1]	2026		2025-26[1]	2026-27	
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	19,012	19,321	1.6	53,916	58,200	7.9
Corporate	11,626	9,553	-17.8	23,487	24,600	4.7
Non-resident	728	908	24.7	3,097	3,637	17.4
Total income tax revenues	31,366	29,782	-5.1	80,500	86,437	7.4
Other taxes and duties						
Goods and Services Tax	4,660	5,057	8.5	13,487	15,582	15.5
Energy taxes	445	256	-42.5	1,308	1,284	-1.8
Customs import duties	1,211	914	-24.5	3,567	2,407	-32.5
Other taxes, excise taxes and duties	507	596	17.6	1,814	1,841	1.5
Total other taxes and duties	6,823	6,823	0.0	20,176	21,114	4.6
Total tax revenues	38,189	36,605	-4.1	100,676	107,551	6.8
Employment Insurance premiums	2,962	3,143	6.1	9,045	9,653	6.7
Other revenues	3,657	5,070	38.6	11,115	15,440	38.9
Total revenues	44,808	44,818	0.0	120,836	132,644	9.8

Note: Totals may not add due to rounding.
[1] Certain comparative figures have been reclassified to reflect the current year's presentation. In particular, pollution pricing proceeds to be returned to Canadians is included in other revenues. This reflects the cessation of the application of the federal fuel charge effective April 1, 2025.

Expenses

Program expenses excluding net actuarial losses in June 2026 were $38.7 billion, up $2.1 billion, or 5.6 per cent, from June 2025.

- Major transfers to persons, consisting of the Old Age Security program, EI benefits, and children's benefits, were up $0.4 billion or 3.3 per cent.
  - Transfers through the Old Age Security program increased by $0.4 billion, or 6.6 per cent, largely reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
  - EI benefits decreased by $0.2 billion, or 9.4 per cent, largely reflecting a timing effect due to June 2025 having one more Sunday payment than June 2026.
  - Children's benefits were up $0.1 billion, or 5.5 per cent, in part reflecting the indexation of benefits to consumer prices, which annually takes effect July 1st.
- Major transfers to provinces, territories and municipalities were down $0.7 billion, or 7.0 per cent, mainly reflecting a year-over-year difference in the timing of Canada-wide Early Learning and Child Care transfers, 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 decreased by $0.2 billion, or 79.0 per cent, reflecting lower residual payments compared to June 2025 in the course of the wind-down of the Canada Carbon Rebate and other fuel charge return mechanisms following the removal of the federal fuel charge effective April 1, 2025.
- Direct program expenses were up $2.6 billion, or 16.9 per cent. Within direct program expenses:
  - Other transfer payments increased by $1.5 billion, or 30.1 per cent, reflecting increased defence contributions, transfers in respect of Indigenous Peoples, offshore resource revenue transfers and transfers under the Canadian Dental Care Plan, as well as year-over-year differences in the timing of payments.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $1.0 billion, or 10.3 per cent, largely reflecting increased personnel costs and bad debt expenses.

Public debt charges increased $0.5 billion, or 12.4 per cent, reflecting higher average effective interest rates on an increased stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower interest rates on treasury bills.

Net actuarial losses, which represent the amortization of changes in the value of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years and related assets, were were up $0.2 billion, or 23.9 per cent, reflecting the amortization of losses arising from actuarial valuations of the government's pension and other employee future benefit plans prepared for the Public Accounts of Canada 2025, which began partway through 2025-26, offset in part by the end of the amortization of certain prior years' net actuarial losses.

For the April to June period of 2026-27, program expenses excluding net actuarial losses were $117.2 billion, up $4.8 billion, or 4.3 per cent, from the same period the previous year.

- Major transfers to persons were up $1.7 billion or 5.1 per cent.
  - Transfers through the Old Age Security program increased by $1.0 billion, or 5.0 per cent, largely reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
  - EI benefits increased by $0.4 billion, or 7.1 per cent, largely reflecting new measures that expanded access to EI benefits.
  - Children's benefits were up $0.3 billion, or 4.0 per cent, in part reflecting the indexation of benefits to consumer prices.

- Major transfers to provinces, territories and municipalities were down $1.2 billion, or 4.0 per cent, as decreases due to year-over-year differences in the timing of payments under health agreements and Canada-wide Early Learning and Child Care transfers were 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 were down $2.2 billion, or 93.4 per cent, reflecting the structural wind-down of the Canada Carbon Rebate for individuals and other fuel charge return mechanisms following the removal of the federal fuel charge effective April 1, 2025.
- Direct program expenses were up $6.4 billion, or 13.6 per cent. Within direct program expenses:
  - Other transfer payments increased by $3.4 billion, or 17.9 per cent, reflecting higher transfers in a number of areas, such as for the Canada Workers Benefit, the Canadian Dental Care Plan and the Canada Disability Benefit, transfers in respect of Indigenous Peoples, defence contributions, and offshore resource revenue transfers, as well as year-over-year differences in the timing of payments.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $3.1 billion, or 10.8 per cent, largely reflecting higher personnel costs, as well as a change in the methodology for recording bad debt expense associated with taxes receivable introduced in December 2025, which has resulted in the recording of expenses earlier in the current fiscal year rather than in the post-March period.

Public debt charges increased by $0.8 billion, or 6.1 per cent, largely reflecting higher average effective interest rates on an increased stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower short-term interest rates on treasury bills.

Net actuarial losses were up by $0.2 billion, or 23.9 per cent, reflecting the amortization of losses arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2025, which began partway through 2025-26, offset in part by the end of the amortization of certain prior years' net actuarial losses.

Table 3

Expenses

	June			April to June		
	2025[1]	2026	Change	2025-26[1]	2026-27	Change
	($ millions)		(%)	($ millions)		(%)
Major transfers to persons						
Old Age Security program	6,716	7,160	6.6	20,210	21,217	5.0
Employment Insurance benefits	2,146	1,945	-9.4	6,191	6,629	7.1
Children's benefits	2,448	2,582	5.5	7,398	7,691	4.0
Total major transfers to persons	11,310	11,687	3.3	33,799	35,537	5.1
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,557	4,785	5.0	13,671	14,360	5.0
Canada Social Transfer	1,451	1,495	3.0	4,354	4,485	3.0
Equalization	2,181	2,263	3.8	6,542	6,790	3.8
Territorial Formula Financing	373	397	6.4	2,130	2,267	6.4
Canada-wide early learning and child care	1,868	1,015	-45.7	1,868	1,015	-45.7
Build Communities Strong Fund – Community Stream	-	-	n/a	-	-	n/a
Health agreements with provinces/territories[2]	-	-	n/a	2,150	909	-57.7
Other fiscal arrangements[3]	-467	-690	-47.8	-1,805	-2,084	-15.5
Total major transfers to provinces, territories and municipalities	9,963	9,265	-7.0	28,910	27,742	-4.0
Pollution pricing proceeds returned to Canadians	233	49	-79.0	2,336	154	-93.4
Direct program expenses						
Other transfer payments	5,047	6,568	30.1	18,799	22,155	17.9
Operating expenses	10,122	11,161	10.3	28,491	31,573	10.8
Total direct program expenses	15,169	17,729	16.9	47,290	53,728	13.6
Total program expenses, excluding net actuarial losses	36,675	38,730	5.6	112,335	117,161	4.3
Public debt charges	4,169	4,684	12.4	13,773	14,608	6.1
Total expenses, excluding net actuarial losses	40,844	43,414	6.3	126,108	131,769	4.5
Net actuarial losses	335	415	23.9	1,005	1,245	23.9
Total expenses	41,179	43,829	6.4	127,113	133,014	4.6

Note: Totals may not add due to rounding.

[1] Certain comparative figures have been reclassified to reflect the current year's presentation. In particular, COVID-19 income support for workers is included in other transfer payments, reflecting the end of temporary COVID-19 support measures. In addition, certain other amounts have been reclassified from operating expenses and from major transfers to provinces, territories and municipalities to other transfer payments to align with their expected presentation in the Public Accounts of Canada.

[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 an ongoing recovery from Quebec associated with a historical tax point transfer; statutory subsidies; and other items. With respect to the Quebec Abatement - Alternative Payments for Standing Programs, transfers to Quebec for the Canada Health Transfer, Canada Social Transfer and Equalization are shown above on the same basis as transfers to other provinces. However, since part of the Quebec transfer is made through abated federal taxes, it is necessary to net this amount out of major transfers to provinces, territories and municipalities. The remaining portion of the Quebec Abatement reflects recoveries for the tax points transferred for the discontinued Youth Allowances program.

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

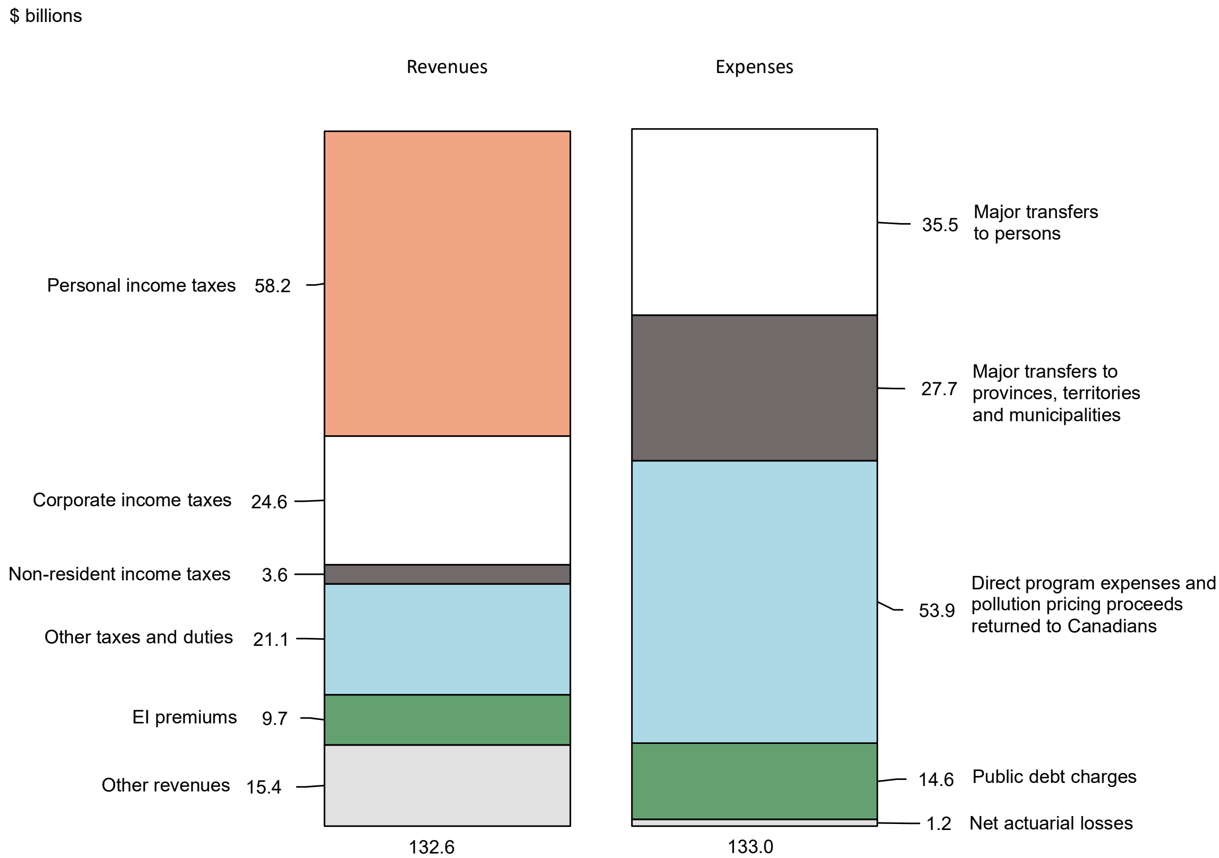
Table 4
Total expenses by object of expense

	June			April to June		
	2025[1]	2026	Change	2025-26[1]	2026-27	Change
	($ millions)		(%)	($ millions)		(%)
Transfer payments	26,553	27,569	3.8	83,844	85,588	2.1
Other expenses						
Personnel, excluding net actuarial losses	5,983	6,704	12.1	18,034	19,223	6.6
Transportation and communications	235	294	25.1	552	621	12.5
Information	27	48	77.8	74	89	20.3
Professional and special services	1,484	1,959	32.0	3,077	4,063	32.0
Rentals	478	352	-26.4	1,376	1,442	4.8
Repair and maintenance	297	355	19.5	594	666	12.1
Utilities, materials and supplies	366	271	-26.0	733	913	24.6
Other subsidies and expenses	770	728	-5.5	2,494	3,150	26.3
Amortization of tangible capital assets	470	439	-6.6	1,522	1,385	-9.0
Net loss on disposal of assets	12	11	-8.3	35	21	-40.0
Total other expenses	10,122	11,161	10.3	28,491	31,573	10.8
Total program expenses, excluding net actuarial losses	36,675	38,730	5.6	112,335	117,161	4.3
Public debt charges	4,169	4,684	12.4	13,773	14,608	6.1
Total expenses, excluding net actuarial losses	40,844	43,414	6.3	126,108	131,769	4.5
Net actuarial losses	335	415	23.9	1,005	1,245	23.9
Total expenses	41,179	43,829	6.4	127,113	133,014	4.6

Note: Totals may not add due to rounding.

[1] Certain comparative figures have been reclassified to reflect the current year's presentation.

Chart 3
Revenues and expenses (April to June 2026)



Note: Totals may not add due to rounding.

Financial requirement of $39.5 billion for April to June 2026

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 $0.4 billion and a requirement of $39.1 billion from non-budgetary transactions, there was a financial requirement of $39.5 billion for the April to June 2026 period, compared to a financial requirement of $30.5 billion for the same period of the previous year.

Table 5
The budgetary balance and financial source/requirement
$ millions

	June		April to June	
	2025	2026	2025-26	2026-27
Budgetary balance (deficit/surplus)	3,629	989	-6,277	-370
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-1,815	-6,332	-12,298	-21,360
Pensions, other future benefits, and other liabilities	803	796	2,147	2,270
Foreign exchange accounts and derivatives	-1,600	-1,015	3,739	-583
Loans, investments and advances	-8,370	-8,825	-16,439	-17,145
Non-financial assets	-297	-1,532	-1,403	-2,289
Total non-budgetary transactions	-11,279	-16,908	-24,254	-39,107
Financial source/requirement	-7,650	-15,919	-30,531	-39,477

Note: Totals may not add due to rounding.

Net financing activities up $31.0 billion

The government financed this financial requirement of $39.5 billion by increasing unmatured debt by $31.0 billion and drawing down cash balances by $8.4 billion. The increase in unmatured debt was achieved through the issuance of marketable bonds and treasury bills.

Cash balances at the end of June 2026 stood at $39.9 billion, down $12.7 billion from their level at the end of June 2025.

Table 6
Financial source/requirement and net financing activities
$ millions

	June		April to June	
	2025	2026	2025-26	2026-27
Financial source/requirement	-7,650	-15,919	-30,531	-39,477
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-2,334	-3,421	29,146	17,073
Treasury bills	-3,524	6,834	14,735	15,340
Total Canadian currency borrowings	-5,858	3,413	43,881	32,413
Foreign currency borrowings	1,064	544	-6,997	-1,272
Total market debt transactions	-4,794	3,957	36,884	31,141
Obligations related to capital leases and other unmatured debt	180	-24	110	-99
Net change in financing activities	-4,614	3,933	36,994	31,042
Change in cash balance	-12,264	-11,986	6,463	-8,435
Cash balance at end of period			52,604	39,901

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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August 2026