

Department of Finance Canada | Ministère des Finances Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for August 2026

Canada

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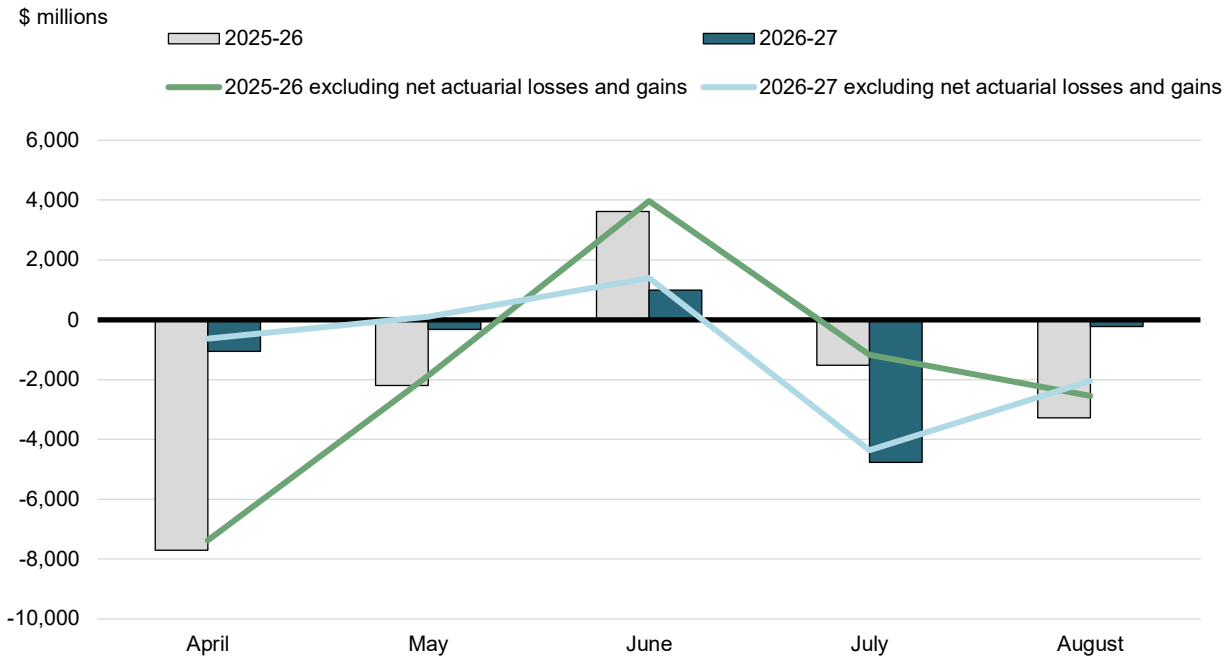
Highlights

August 2026

There was a budgetary deficit of $0.2 billion in August 2026, compared to a deficit of $3.3 billion in August 2025. The budgetary deficit before net actuarial losses and gains was $2.0 billion, compared to a deficit of $2.5 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 August 2025:

- Revenues increased by $2.3 billion, or 6.2%, largely reflecting higher income tax and Goods and Services Tax (GST) revenues.
- Program expenses excluding net actuarial losses and gains were up $1.1 billion, or 3.1%, mainly attributable to an increase in major transfers to persons.
- Public debt charges were up $0.7 billion, or 16.1%, largely driven by a year-to-date adjustment to interest expense on the government's pension and other employee future benefit obligations in August 2026 based on actuarial valuations prepared for the *Public Accounts of Canada*, as well as higher interest on marketable bonds, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.
- The government recorded net actuarial gains of $1.8 billion in August 2026, compared to net actuarial losses of $0.7 billion in August 2025. This change reflects a year-to-date adjustment recorded in August 2026 following updated actuarial valuations of the government's pension and other employee future benefit plans. In August 2025, net actuarial losses increased due to a year-to-date adjustment based on actuarial valuations prepared for the *Public Accounts of Canada 2025*.

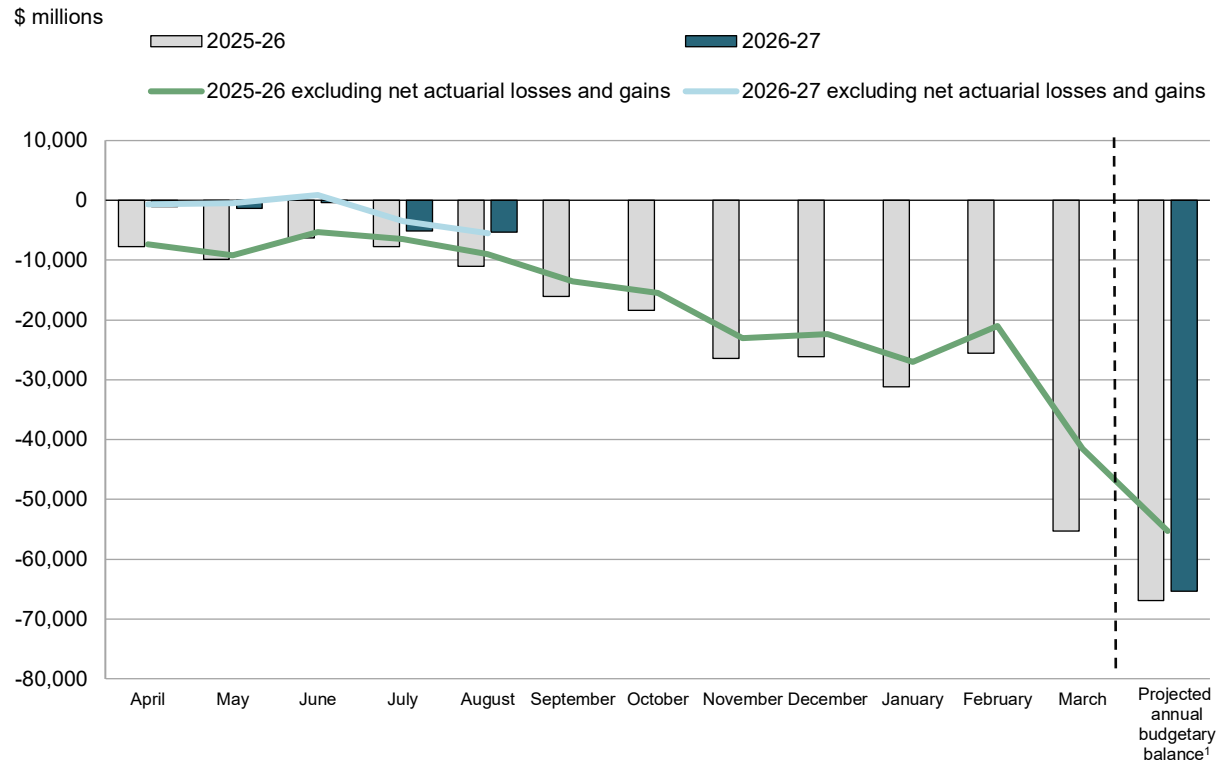
April to August 2026

The government posted a budgetary deficit of $5.4 billion for the April to August period of the 2026-27 fiscal year, compared to a deficit of $11.1 billion reported for the same period of 2025-26. The budgetary deficit before net actuarial losses and gains was $5.5 billion, compared to a deficit of $9.0 billion in the April to August period of 2025-26.

Compared to 2025-26:

- Revenues were up $14.4 billion, or 7.1%, largely reflecting increases in personal income tax revenues, other revenues and GST revenues. These increases were offset in part by lower customs import duties and energy tax revenues.
- Program expenses excluding net actuarial losses and gains were up $8.8 billion, or 4.7%, due mainly to increases in direct program expenses and major transfers to persons, offset in part by lower pollution pricing proceeds returned to Canadians.
- Public debt charges increased by $2.1 billion, or 9.1%, primarily driven by an increased stock of marketable bonds with higher average effective interest rates. Higher interest expense on pensions and other employee future benefits and higher Consumer Price Index adjustments on Real Return Bonds also contributed to the increase, which was partly tempered by lower short-term interest rates on treasury bills.
- The government recorded net actuarial gains of $0.2 billion for April to August 2026, compared to net actuarial losses of $2.1 billion for April to August 2025, reflecting the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2026, 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: Spring Economic Update 2026.

Table 1
Summary statement of transactions
$ millions

	August		April to August	
	2025	2026	2025-26	2026-27
Budgetary transactions				
Revenues	37,733	40,069	201,176	215,537
Expenses				
Program expenses, excluding net actuarial losses and gains	-35,870	-36,983	-187,163	-195,952
Public debt charges	-4,408	-5,119	-23,005	-25,099
Budgetary balance, excluding net actuarial losses and gains	-2,545	-2,033	-8,992	-5,514
Net actuarial (losses) gains	-735	1,810	-2,075	150
Budgetary balance (deficit/surplus)	-3,280	-223	-11,067	-5,364
Non-budgetary transactions	-3,123	-5,194	-36,668	-54,778
Financial source/requirement	-6,403	-5,417	-47,735	-60,142
Net change in financing activities	21,800	4,421	89,842	63,974
Net change in cash balances	15,397	-996	42,107	3,832
Cash balance at end of period			88,248	52,171

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

Revenues

Revenues in August 2026 totalled $40.1 billion, up $2.3 billion, or 6.2%, from August 2025.

- Tax revenues increased by $1.9 billion, or 6.2%, compared to the same period in 2025-26, largely reflecting higher corporate and personal income tax revenues, and GST revenues. These increases were partially offset by lower energy tax revenues due to the fuel excise tax relief measures introduced in April 2026 and lower customs import duties following the repeal of countermeasures imposed in response to U.S. tariffs.
- Employment Insurance (EI) premium revenues were up $19 million, or 0.7%.
- Other revenues were up $0.4 billion, or 9.5%, in large part due to higher revenues from enterprise Crown corporations and interest and penalties.

Revenues for the April to August period of 2026-27 totalled $215.5 billion, up $14.4 billion, or 7.1%, from the same period in 2025-26.

- Tax revenues increased by $8.0 billion, or 4.8%, compared to the same period in 2025-26, reflecting increases in personal income taxes, driven by higher wages and salaries and an increase in employment, and higher GST revenues following a return to more historically comparable levels after unusually low revenues in early 2025-26. These increases were partially offset by lower customs import duties and energy tax revenues.
- EI premium revenues were up $0.7 billion, or 4.9%, reflecting a higher number of persons employed and the increase in maximum insurable earnings that took effect January 1, 2026.
- Other revenues were up $5.7 billion, or 29.1%, mainly reflecting higher interest and penalties revenues and higher revenues from enterprise Crown corporations.

Table 2
Revenues

	August			April to August		
	2025[1]	2026	Change	2025-26[1]	2026-27	Change
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	18,725	19,648	4.9	89,762	96,328	7.3
Corporate	5,268	6,288	19.4	38,078	38,705	1.6
Non-resident	1,074	1,216	13.2	5,590	6,196	10.8
Total income tax revenues	25,067	27,152	8.3	133,430	141,229	5.8
Other taxes and duties						
Goods and Services Tax	3,768	4,491	19.2	22,621	25,967	14.8
Energy taxes	497	-11	-102.2	2,283	1,254	-45.1
Customs import duties	1,126	712	-36.8	5,789	3,637	-37.2
Other taxes, excise taxes and duties	685	737	7.6	3,155	3,183	0.9
Total other taxes and duties	6,076	5,929	-2.4	33,848	34,041	0.6
Total tax revenues	31,143	33,081	6.2	167,278	175,270	4.8
Employment Insurance premiums	2,587	2,606	0.7	14,412	15,120	4.9
Other revenues	4,003	4,382	9.5	19,486	25,147	29.1
Total revenues	37,733	40,069	6.2	201,176	215,537	7.1

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 and gains in August 2026 were $37.0 billion, up $1.1 billion, or 3.1%, from August 2025.

- Major transfers to persons, consisting of the Old Age Security program, EI benefits, and children's benefits, were up $1.1 billion or 9.8%.
  - Transfers through the Old Age Security program increased by $0.4 billion, or 6.3%, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
  - EI benefits increased by $0.5 billion, or 22.1%, largely reflecting new measures that expanded access to EI benefits as well as a timing effect due to August 2026 having one more Sunday payment than August 2025.
  - Children's benefits were up $0.2 billion, or 7.2%, in part reflecting the indexation of benefits to consumer prices, which annually takes effect July 1st.
- Major transfers to provinces, territories and municipalities were up $0.2 billion, or 2.6%, due to legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, offset in part by a year-over-year difference in the timing of transfers under the Build Communities Strong Fund - Community Stream (formerly the Canada Community-Building Fund).
- Pollution pricing proceeds returned to Canadians decreased by $0.1 billion, or 62.2%, 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 down $0.2 billion, or 1.1%. Within direct program expenses:
  - Other transfer payments increased by $0.1 billion, or 1.4%.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities decreased by $0.3 billion, or 2.6%. The decrease largely reflects a year-to-date adjustment to pension and other employee future benefit expenses based on actuarial valuations prepared for the *Public Accounts of Canada*. This decrease was partially offset by higher bad debt expense related to taxes receivable, reflecting a change in accounting methodology introduced in December 2025 that records expenses earlier in the fiscal year, and by increased defence spending.

Public debt charges increased $0.7 billion, or 16.1%, largely driven by a year-to-date adjustment to interest expense on the government's pension and other future employee benefit obligations in August 2026 based on updated actuarial valuations, as well as higher interest on marketable bonds, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.

Net actuarial 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, totalled $1.8 billion in August 2026, compared to net actuarial losses of $0.7 billion in August 2025. This variance is due to a year-to-date adjustment in August 2026 to reflect updated actuarial valuations. A similar year-to-date adjustment in August 2025 to reflect actuarial valuations prepared for the *Public Accounts of Canada 2025* resulted in an increase in net actuarial losses.

For the April to August period of 2026-27, program expenses excluding net actuarial losses and gains were $196.0 billion, up $8.8 billion, or 4.7%, from the same period the previous year.

- Major transfers to persons were up $3.4 billion or 6.1%.
  - Transfers through the Old Age Security program increased by $1.8 billion, or 5.4%, largely reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed.
  - EI benefits increased by $1.0 billion, or 9.7%, largely reflecting new measures that expanded access to EI benefits.
  - Children's benefits were up $0.5 billion, or 4.5%, in part reflecting the indexation of benefits to consumer prices.

- Major transfers to provinces, territories and municipalities were up $9 million, or less than 0.1%, as legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories was offset by year-over-year differences in the timing of transfers including payments under health agreements with provinces and territories and Canada-wide early learning and child care, as well as an increase in tax point recoveries under the Quebec Abatement.
- Pollution pricing proceeds returned to Canadians decreased by $2.2 billion, or 84.8%, 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 $7.5 billion, or 9.2%. Within direct program expenses:
  - Other transfer payments increased by $3.3 billion, or 10.4%, reflecting higher transfers in a number of areas, including defence contributions, the Canada Workers Benefit, transfers in respect of Indigenous Peoples, payments under the new Canada Disability Benefit, which began in July 2025, and support under the Canadian Dental Care Plan.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $4.2 billion, or 8.5%. This growth was due in large part to a change in the methodology for recording bad debt expense associated with taxes receivable, which has resulted in the recording of expenses earlier in the current fiscal year rather than in the post-March period, and higher defence spending.

Public debt charges increased by $2.1 billion, or 9.1%, primarily driven by an increased stock of marketable bonds with higher average effective interest rates. Higher interest expense on pensions and benefits and higher Consumer Price Index adjustments on Real Return Bonds also contributed to the increase, which was partly tempered by lower short-term interest rates on treasury bills.

The government recorded net actuarial gains of $0.2 billion for April to August 2026, compared to net actuarial losses of $2.1 billion for April to August 2025, reflecting the amortization of gains arising from actuarial valuations of the government's pension and other employee future benefit plans as at March 31, 2026, and the end of the amortization of certain prior years' net actuarial losses.

Table 3
Expenses

	August			April to August		
	2025[1]	2026	Change	2025-26[1]	2026-27	Change
	($ millions)		(%)	($ millions)		(%)
Major transfers to persons						
Old Age Security program	6,745	7,169	6.3	33,788	35,629	5.4
Employment Insurance benefits	2,449	2,990	22.1	10,800	11,845	9.7
Children's benefits	2,390	2,561	7.2	12,133	12,679	4.5
Total major transfers to persons	11,584	12,720	9.8	56,721	60,153	6.1
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,557	4,785	5.0	22,785	23,930	5.0
Canada Social Transfer	1,451	1,495	3.0	7,257	7,474	3.0
Equalization	2,181	2,263	3.8	10,904	11,317	3.8
Territorial Formula Financing	373	397	6.4	2,876	3,062	6.5
Canada-wide early learning and child care	-	1	n/a	2,416	2,050	-15.1
Build Communities Strong Fund - Community Stream	147	9	-93.9	1,243	1,233	-0.8
Health agreements with provinces/territories[2]	-	-	n/a	2,150	909	-57.7
Other fiscal arrangements[3]	-670	-698	-4.2	-3,124	-3,459	-10.7
Total major transfers to provinces, territories and municipalities	8,039	8,252	2.6	46,507	46,516	0.0
Pollution pricing proceeds returned to Canadians	82	31	-62.2	2,551	388	-84.8
Direct program expenses						
Other transfer payments	5,836	5,915	1.4	31,917	35,234	10.4
Operating expenses	10,329	10,065	-2.6	49,467	53,661	8.5
Total direct program expenses	16,165	15,980	-1.1	81,384	88,895	9.2
Total program expenses, excluding net actuarial losses and gains	35,870	36,983	3.1	187,163	195,952	4.7
Public debt charges	4,408	5,119	16.1	23,005	25,099	9.1
Total expenses, excluding net actuarial losses and gains	40,278	42,102	4.5	210,168	221,051	5.2
Net actuarial losses (gains)	735	-1,810	-346.3	2,075	-150	-107.2
Total expenses	41,013	40,292	-1.8	212,243	220,901	4.1

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.

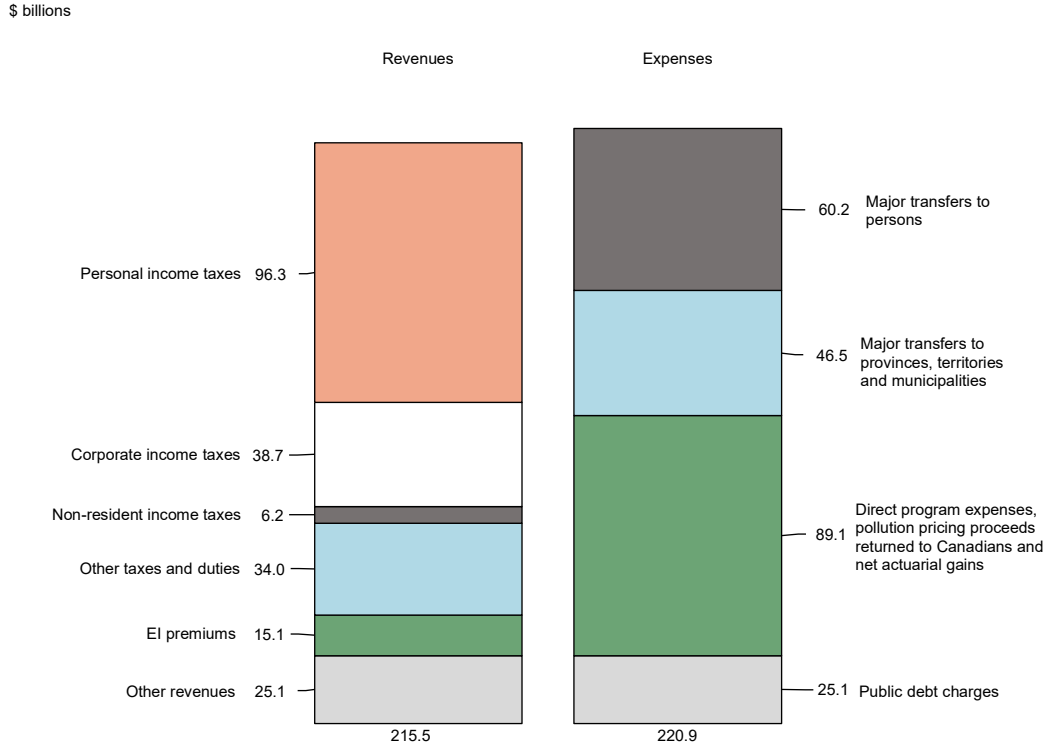
Table 4
Total expenses by object of expense

	August			April to August		
	2025[1]	2026	Change	2025-26[1]	2026-27	Change
	($ millions)		(%)	($ millions)		(%)
Transfer payments	25,541	26,918	5.4	137,696	142,291	3.3
Other expenses						
Personnel, excluding net actuarial losses and gains	6,945	4,953	-28.7	31,250	30,643	-1.9
Transportation and communications	233	229	-1.7	1,024	1,152	12.5
Information	22	43	95.5	141	158	12.1
Professional and special services	1,546	2,296	48.5	6,362	8,383	31.8
Rentals	314	119	-62.1	2,193	2,102	-4.1
Repair and maintenance	415	398	-4.1	1,303	1,470	12.8
Utilities, materials and supplies	164	155	-5.5	1,115	1,362	22.2
Other subsidies and expenses	215	1,396	549.3	3,559	6,041	69.7
Amortization of tangible capital assets	464	455	-1.9	2,457	2,294	-6.6
Net loss on disposal of assets	11	21	90.9	63	56	-11.1
Total other expenses	10,329	10,065	-2.6	49,467	53,661	8.5
Total program expenses, excluding net actuarial losses and gains	35,870	36,983	3.1	187,163	195,952	4.7
Public debt charges	4,408	5,119	16.1	23,005	25,099	9.1
Total expenses, excluding net actuarial losses and gains	40,278	42,102	4.5	210,168	221,051	5.2
Net actuarial losses (gains)	735	-1,810	-346.3	2,075	-150	-107.2
Total expenses	41,013	40,292	-1.8	212,243	220,901	4.1

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 August 2026)



Note: Totals may not add due to rounding.

Financial requirement of $60.1 billion for April to August 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 $5.4 billion and a requirement of $54.8 billion from non-budgetary transactions, there was a financial requirement of $60.1 billion for the April to August 2026 period, compared to a financial requirement of $47.7 billion for the same period of the previous year.

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

	August		April to August	
	2025	2026	2025-26	2026-27
Budgetary balance (deficit/surplus)	-3,280	-223	-11,067	-5,364
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-674	2,846	-17,151	-24,192
Pensions, other future benefits, and other liabilities	2,608	-1,477	4,849	1,055
Foreign exchange accounts and derivatives	556	-38	2,967	-1,394
Loans, investments and advances	-5,159	-4,668	-23,669	-24,941
Non-financial assets	-454	-1,857	-3,664	-5,306
Total non-budgetary transactions	-3,123	-5,194	-36,668	-54,778
Financial source/requirement	-6,403	-5,417	-47,735	-60,142

Note: Totals may not add due to rounding.

Net financing activities up $64.0 billion

The government financed this financial requirement of $60.1 billion and increased cash balances by $3.8 billion by increasing unmatured debt by $64.0 billion. The increase in unmatured debt was achieved through the issuance of marketable bonds and treasury bills.

Cash balances at the end of August 2026 stood at $52.2 billion, down $36.1 billion from their level at the end of August 2025.

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

	August		April to August	
	2025	2026	2025-26	2026-27
Financial source/requirement	-6,403	-5,417	-47,735	-60,142
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	16,779	5,557	72,103	43,268
Treasury bills	6,000	-1,018	24,530	22,291
Total Canadian currency borrowings	22,779	4,539	96,633	65,559
Foreign currency borrowings	-1,035	-89	-6,936	-1,434
Total market debt transactions	21,744	4,450	89,697	64,125
Obligations related to capital leases and other unmatured debt	56	-29	145	-151
Net change in financing activities	21,800	4,421	89,842	63,974
Change in cash balance	15,397	-996	42,107	3,832
Cash balance at end of period			88,248	52,171

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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October 2026