



Department of Finance
Canada

Ministère des Finances
Canada

The Fiscal Monitor

A publication of the Department of Finance

Financial Results for April and May 2025

Canada

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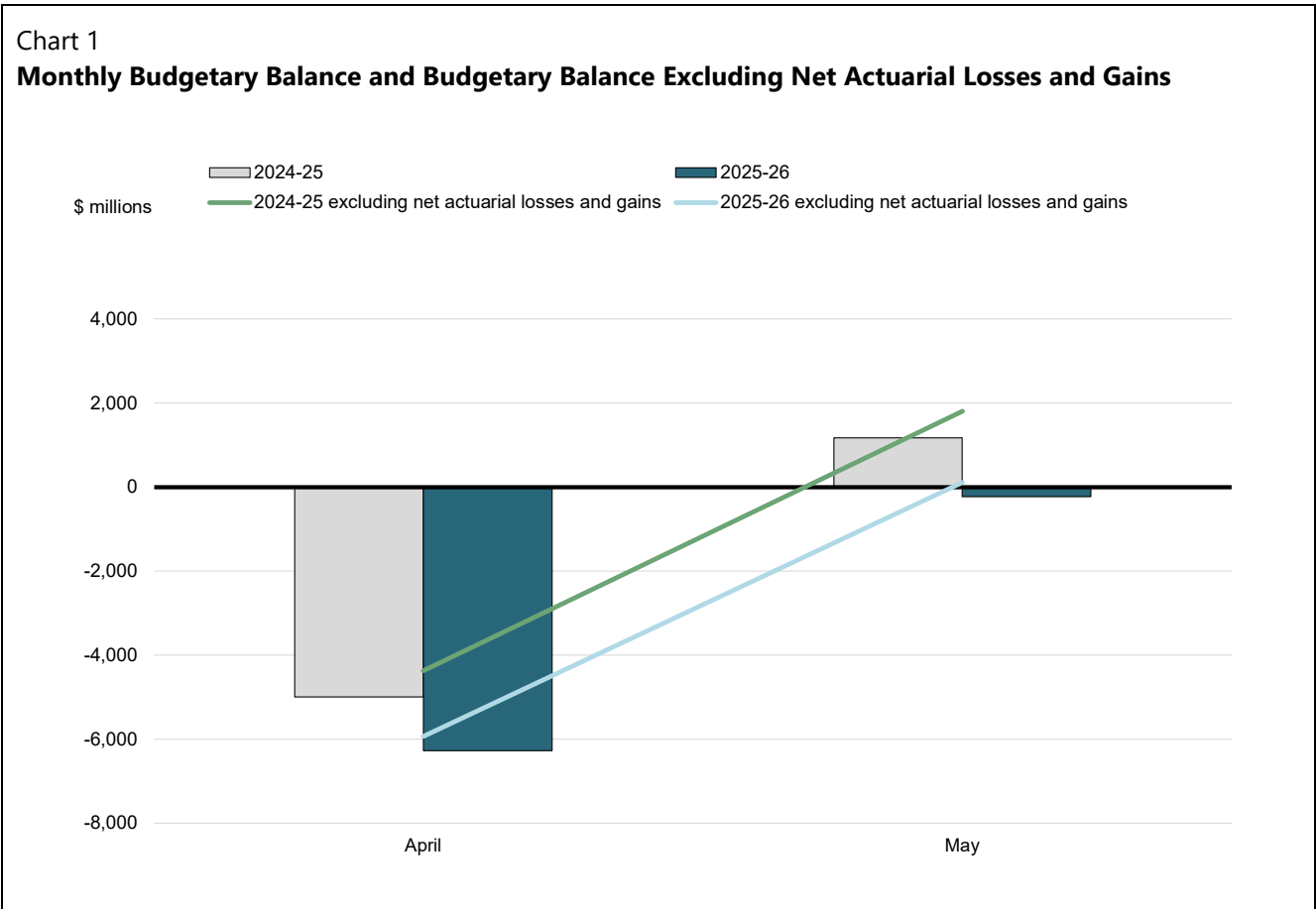
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Highlights

April and May 2025

For the first two months of the 2025-26 fiscal year (April and May), there was a budgetary deficit of \$6.5 billion, compared to a deficit of \$3.8 billion reported in the same period of 2024-25. By month, there was a deficit of \$6.3 billion in April and a deficit of \$0.2 billion in May 2025.

The budgetary deficit before net actuarial losses and gains was \$5.8 billion, compared to a deficit of \$2.6 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.

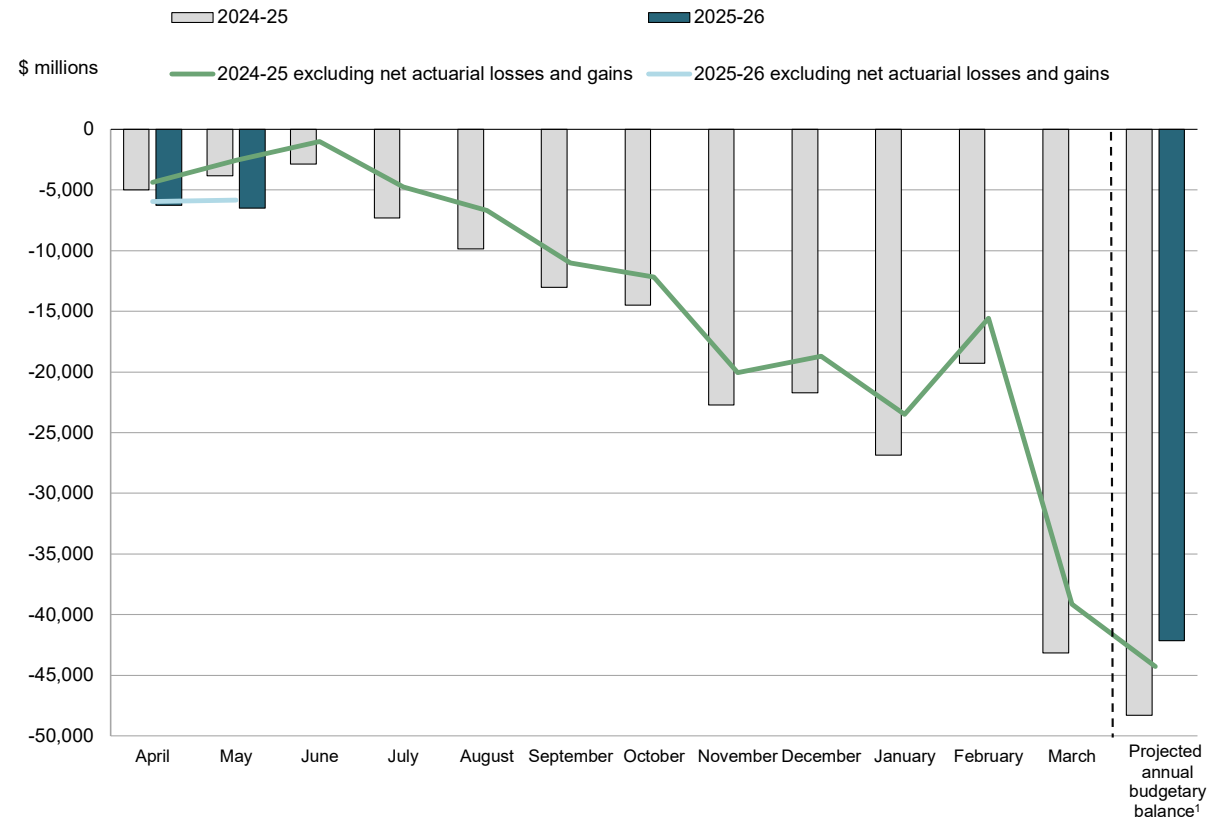


For the two months combined:

- Revenues were virtually unchanged from the prior year, up \$26 million, as increases in customs import duties and pollution pricing proceeds to be returned to Canadians were largely offset by a decrease in corporate income tax and Goods and Services Tax revenue.
- Program expenses excluding net actuarial losses were up \$2.9 billion, or 4.0 per cent, reflecting increases in most major categories of spending.

- Public debt charges increased by \$0.4 billion, or 3.8 per cent, reflecting an increase in the stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds. These increases were offset in part by lower interest rates on treasury bills.
- Net actuarial losses decreased by \$0.6 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.

Chart 2
Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains



¹ Source: 2024 Fall Economic Statement

Table 1

Summary statement of transactions

\$ millions

	April		May		April to May	
	2024	2025	2024	2025	2024-25	2025-26
Budgetary transactions						
Revenues	41,008	40,329	38,553	39,258	79,561	79,587
Expenses						
Program expenses, excluding net actuarial losses	-40,943	-41,238	-31,932	-34,575	-72,875	-75,813
Public debt charges	-4,429	-5,027	-4,819	-4,576	-9,248	-9,603
Budgetary balance, excluding net actuarial losses	-4,364	-5,936	1,802	107	-2,562	-5,829
Net actuarial losses	-630	-335	-630	-335	-1,260	-670
Budgetary balance (deficit/surplus)	-4,994	-6,271	1,172	-228	-3,822	-6,499
Non-budgetary transactions	-15,305	-5,881	-8,119	-10,033	-23,424	-15,914
Financial source/requirement	-20,299	-12,152	-6,947	-10,261	-27,246	-22,413
Net change in financing activities	664	11,592	8,139	30,016	8,803	41,608
Net change in cash balances	-19,635	-560	1,192	19,755	-18,443	19,195
Cash balance at end of period					48,212	64,869

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

Revenues

Revenues for the April to May period of 2025-26 totalled \$79.6 billion, up \$26 million from the same period in 2024-25.

- Tax revenues decreased by \$1.4 billion, or 2.2 per cent, compared to the same period in 2024-25, largely reflecting lower corporate income tax and Goods and Services Tax revenue, offset in part by increases in customs import duties and personal income tax revenue.
- Pollution pricing proceeds to be returned to Canadians were up \$1.1 billion, or 58.5 per cent, reflecting higher assessments of returns relating to periods before April 1, 2025, and higher rates of carbon pollution pricing in 2024-25. The amounts reported in April and May primarily represent assessments for the February and March 2025 filing periods, respectively. The government ceased the application of the federal fuel charge effective April 1, 2025, and any proceeds collected since that date pertain to fuel charge obligations up to March 31, 2025. On June 5, 2025, the Government of Canada introduced Bill C-4, which would formally remove the carbon pricing for consumers by repealing Part 1 of the *Greenhouse Gas Pollution Pricing Act* and the *Fuel Charge Regulations*. Fuel charge payers are still required to pay amounts owed, continue to be able to claim certain fuel charge rebates, and are subject to assessments and re-assessments in respect of past reporting periods. The Output-Based Pricing System under Part 2 of the Act will continue to apply in listed provinces where it currently applies.
- Employment Insurance (EI) premium revenues were down \$44 million, or 0.7 per cent.
- Other revenues were up \$0.3 billion, or 4.7 per cent, largely reflecting higher net profits from enterprise Crown corporations.

Table 2

Revenues

	April		May		April to May		Change
	2024	2025	2024	2025	2024-25	2025-26	
	(\$ millions)						(%)
Tax revenues							
Income taxes							
Personal	18,218	17,655	16,306	17,717	34,524	35,372	2.5
Corporate	7,429	6,281	6,597	5,580	14,026	11,861	-15.4
Non-resident	1,405	1,326	1,066	1,043	2,471	2,369	-4.1
Total income tax revenues	27,052	25,262	23,969	24,340	51,021	49,602	-2.8
Other taxes and duties							
Goods and Services Tax	5,259	4,425	5,355	4,402	10,614	8,827	-16.8
Energy taxes	398	408	447	455	845	863	2.1
Customs import duties	382	1,210	460	1,146	842	2,356	179.8
Other excise taxes and duties	368	477	658	829	1,026	1,306	27.3
Total other taxes and duties	6,407	6,520	6,920	6,832	13,327	13,352	0.2
Total tax revenues	33,459	31,782	30,889	31,172	64,348	62,954	-2.2
Pollution pricing proceeds to be returned to Canadians	860	1,469	1,073	1,594	1,933	3,063	58.5
Employment Insurance premiums	3,110	3,135	3,017	2,948	6,127	6,083	-0.7
Other revenues	3,579	3,943	3,574	3,544	7,153	7,487	4.7
Total revenues	41,008	40,329	38,553	39,258	79,561	79,587	0.0

Note: Totals may not add due to rounding.

Expenses

For the April to May period of 2025-26, program expenses excluding net actuarial losses were \$75.8 billion, up \$2.9 billion, or 4.0 per cent, from the same period the previous year.

- Major transfers to persons were up \$1.2 billion or 5.4 per cent.
 - Elderly benefits increased by \$0.3 billion, or 2.6 per cent, reflecting changes in consumer prices, to which benefits are fully indexed.
 - EI benefits increased by \$0.3 billion, or 9.1 per cent, largely reflecting the higher unemployment rate this year compared to the previous year.
 - COVID-19 income support for workers increased \$0.1 billion, or 71.9 per cent, reflecting a decrease in redeterminations of benefits.
 - Children's benefits were up \$0.4 billion, or 7.7 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 \$0.9 billion, or 5.1 per cent, largely 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 decreased by \$0.3 billion, or 11.6 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 \$1.2 billion, or 3.7 per cent. Within direct program expenses:
 - Other transfer payments decreased by \$0.1 billion, or 0.9 per cent.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$1.3 billion, or 7.3 per cent, reflecting a number of factors including higher personnel costs, amortization expenses, and bad debt expenses and interest charges on amounts payable related to tax.

Public debt charges increased by \$0.4 billion, or 3.8 per cent, reflecting an increase in the stock of marketable bonds and higher Consumer Price Index adjustments on Real Return Bonds. These increases were offset in part by lower interest rates on treasury bills.

Net actuarial losses decreased by \$0.6 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.

Table 3

Expenses

	April		May		April to May		Change
	2024	2025	2024	2025	2024-25	2025-26	
	(\$ millions)						(%)
Major transfers to persons							
Elderly benefits	6,523	6,749	6,631	6,745	13,154	13,494	2.6
Employment Insurance benefits	2,311	2,036	1,398	2,009	3,709	4,045	9.1
COVID-19 income support for workers ¹	-101	-50	-70	2	-171	-48	71.9
Children's benefits	2,276	2,520	2,320	2,430	4,596	4,950	7.7
Total major transfers to persons	11,009	11,255	10,279	11,186	21,288	22,441	5.4
Major transfers to provinces, territories and municipalities							
Canada Health Transfer	4,340	4,557	4,340	4,557	8,680	9,114	5.0
Canada Social Transfer	1,409	1,452	1,409	1,451	2,818	2,903	3.0
Equalization	2,105	2,181	2,104	2,181	4,209	4,362	3.6
Territorial Formula Financing	826	878	825	878	1,651	1,756	6.4
Canada-wide early learning and child care	-	-	-	-	-	-	n/a
Canada Community-Building Fund	-	-	-	-	-	-	n/a
Health agreements with provinces/territories ²	2,171	2,431	15	-	2,186	2,431	11.2
Other fiscal arrangements ³	-623	-668	-624	-670	-1,247	-1,338	-7.3
Total major transfers to provinces, territories and municipalities	10,228	10,831	8,069	8,397	18,297	19,228	5.1
Pollution pricing proceeds returned to Canadians	2,141	1,448	413	809	2,554	2,257	-11.6
Direct program expenses							
Other transfer payments	9,300	8,539	4,020	4,665	13,320	13,204	-0.9
Operating expenses	8,265	9,165	9,151	9,518	17,416	18,683	7.3
Total direct program expenses	17,565	17,704	13,171	14,183	30,736	31,887	3.7
Total program expenses, excluding net actuarial losses	40,943	41,238	31,932	34,575	72,875	75,813	4.0
Public debt charges	4,429	5,027	4,819	4,576	9,248	9,603	3.8
Total expenses, excluding net actuarial losses	45,372	46,265	36,751	39,151	82,123	85,416	4.0
Net actuarial losses	630	335	630	335	1,260	670	-46.8
Total expenses	46,002	46,600	37,381	39,486	83,383	86,086	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

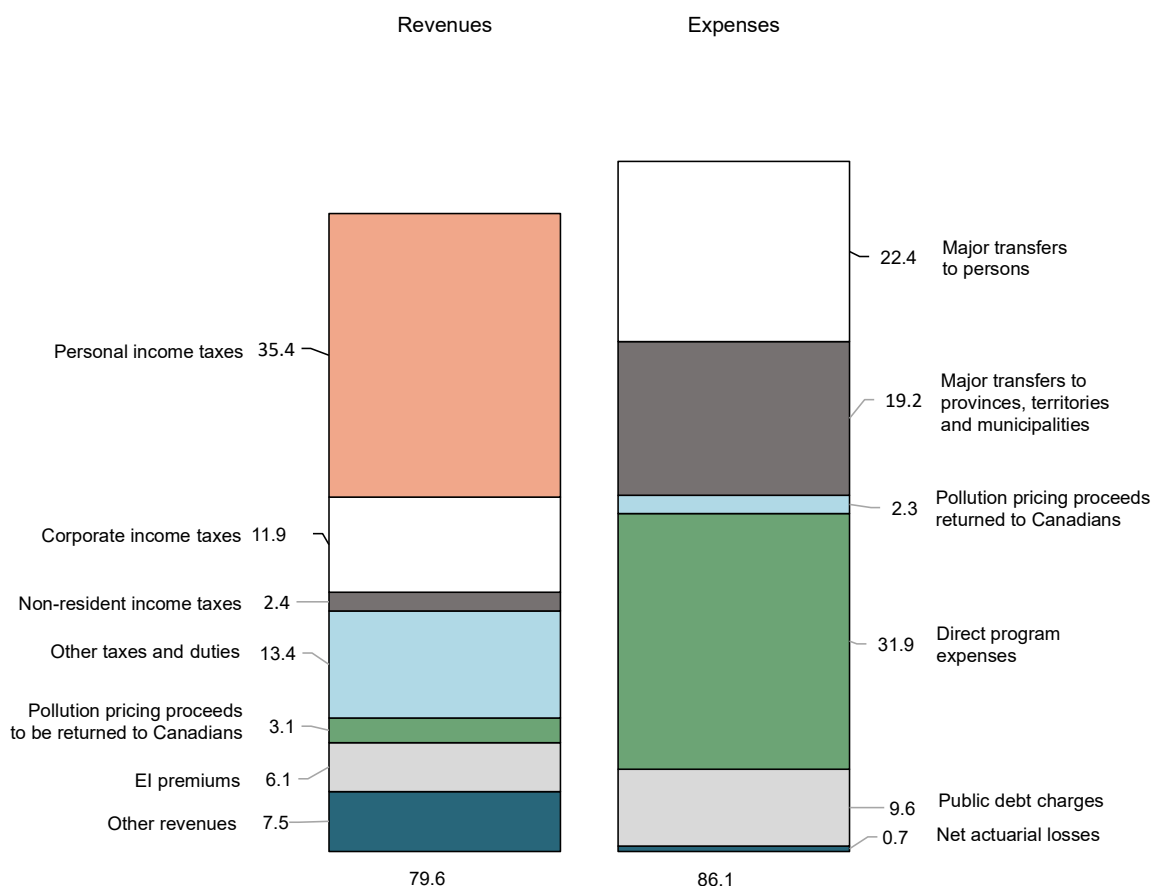
Total expenses by object of expense

	April		May		April to May		Change
	2024	2025	2024	2025	2024-25	2025-26	
	(\$ millions)						(%)
Transfer payments	32,678	32,073	22,781	25,057	55,459	57,130	3.0
Other expenses							
Personnel, excluding net actuarial losses	5,456	5,891	6,020	6,160	11,476	12,051	5.0
Transportation and communications	101	117	226	288	327	405	23.9
Information	11	10	27	37	38	47	23.7
Professional and special services	421	465	1,146	1,231	1,567	1,696	8.2
Rentals	332	603	420	295	752	898	19.4
Repair and maintenance	129	106	187	190	316	296	-6.3
Utilities, materials and supplies	142	245	268	246	410	491	19.8
Other subsidies and expenses	1,226	1,266	406	458	1,632	1,724	5.6
Amortization of tangible capital assets	441	451	444	601	885	1,052	18.9
Net loss on disposal of assets	6	11	7	12	13	23	76.9
Total other expenses	8,265	9,165	9,151	9,518	17,416	18,683	7.3
Total program expenses, excluding net actuarial losses	40,943	41,238	31,932	34,575	72,875	75,813	4.0
Public debt charges	4,429	5,027	4,819	4,576	9,248	9,603	3.8
Total expenses, excluding net actuarial losses	45,372	46,265	36,751	39,151	82,123	85,416	4.0
Net actuarial losses	630	335	630	335	1,260	670	-46.8
Total expenses	46,002	46,600	37,381	39,486	83,383	86,086	3.2

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to May 2025)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$22.4 billion for April to May 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 \$6.5 billion and a requirement of \$15.9 billion from non-budgetary transactions, there was a financial requirement of \$22.4 billion for the April to May 2025 period, compared to a financial requirement of \$27.2 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	April		May		April to May	
	2024	2025	2024	2025	2024-25	2025-26
Budgetary balance (deficit/surplus)	-4,994	-6,271	1,172	-228	-3,822	-6,499
Non-budgetary transactions						
Accounts payable, accrued liabilities and accounts receivable	-6,787	-8,539	-3,926	-4,881	-10,713	-13,420
Pensions, other future benefits, and other liabilities	188	567	879	776	1,067	1,343
Foreign exchange accounts and derivatives	-6,880	6,110	-578	-771	-7,458	5,339
Loans, investments and advances	-2,018	-3,334	-4,104	-4,735	-6,122	-8,069
Non-financial assets	192	-685	-390	-422	-198	-1,107
Total non-budgetary transactions	-15,305	-5,881	-8,119	-10,033	-23,424	-15,914
Financial source/requirement	-20,299	-12,152	-6,947	-10,261	-27,246	-22,413

Note: Totals may not add due to rounding.

Net financing activities up \$41.6 billion

The government financed this financial requirement of \$22.4 billion and increased cash balances by \$19.2 billion by increasing unmatured debt by \$41.6 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of May 2025 stood at \$64.9 billion, up \$16.7 billion from their level at the end of May 2024.

Table 6

Financial source/requirement and net financing activities

\$ millions

	April		May		April to May	
	2024	2025	2024	2025	2024-25	2025-26
Financial source/requirement	-20,299	-12,152	-6,947	-10,261	-27,246	-22,413
Net increase (+)/decrease (-) in financing activities						
Unmatured debt transactions						
Canadian currency borrowings						
Marketable bonds	-13,342	13,239	3,488	18,242	-9,854	31,481
Treasury bills	9,072	6,516	4,589	11,744	13,661	18,260
Total Canadian currency borrowings	-4,270	19,755	8,077	29,986	3,807	49,741
Foreign currency borrowings	4,980	-8,112	84	50	5,064	-8,062
Total market debt transactions	710	11,643	8,161	30,036	8,871	41,679
Obligations related to capital leases and other unmaturred debt	-46	-51	-22	-20	-68	-71
Net change in financing activities	664	11,592	8,139	30,016	8,803	41,608
Change in cash balance	-19,635	-560	1,192	19,755	-18,443	19,195
Cash balance at end of period					48,212	64,869

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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July 2025