Department of Finance Canada | Ministère des Finances Canada

The Fiscal Monitor

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Financial Results for September 2025

Canada

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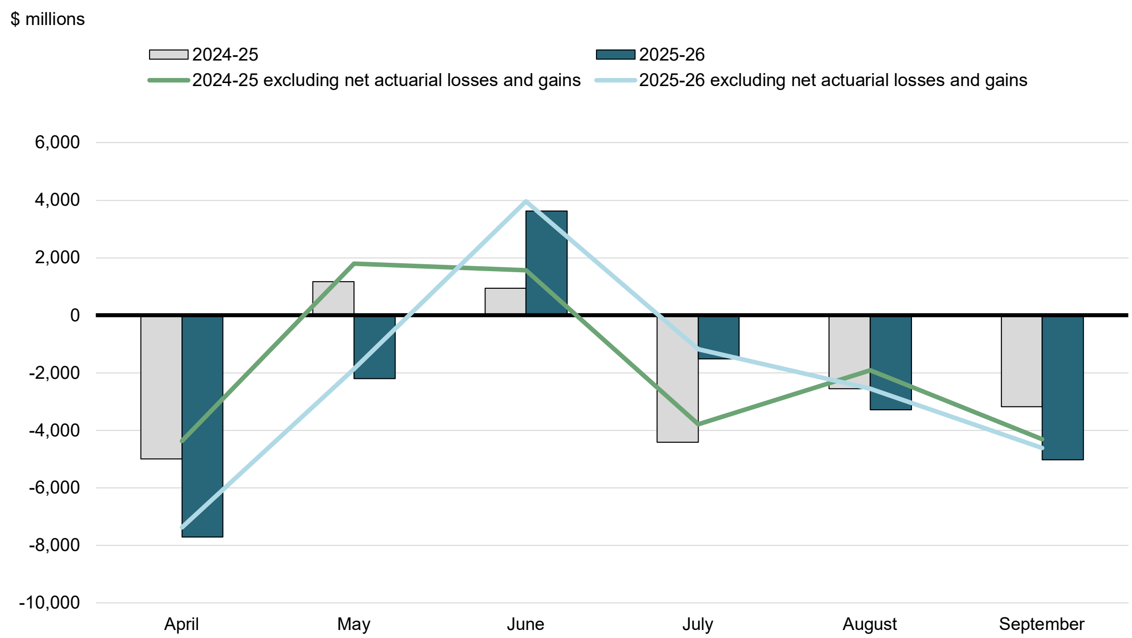
Highlights

September 2025

There was a budgetary deficit of $5.0 billion in September 2025, compared to a deficit of $3.2 billion in September 2024. The budgetary deficit before net actuarial losses and gains was $4.6 billion, compared to a deficit of $4.3 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 September 2024:

- Revenues increased by $0.9 billion, or 2.5 per cent, largely reflecting increases across most categories, partially offset by lower pollution pricing proceeds to be returned to Canadians.
- Program expenses excluding net actuarial losses and gains were up $1.6 billion, or 4.6 per cent, largely reflecting higher transfers to persons and direct program expenses.
- Public debt charges were down $0.4 billion, or 8.3 per cent, as the impact of lower interest rates on treasury bills and lower interest on the government's pension and benefit obligations were partly offset by an increase in the stock and average effective interest rate of marketable bonds.
- The government recorded net actuarial losses of $0.4 billion in September 2025, compared to net actuarial gains of $1.1 billion in September 2024, largely due to a year-to-date adjustment in September 2024 to reflect updated estimates for the 2024-25 fiscal year.

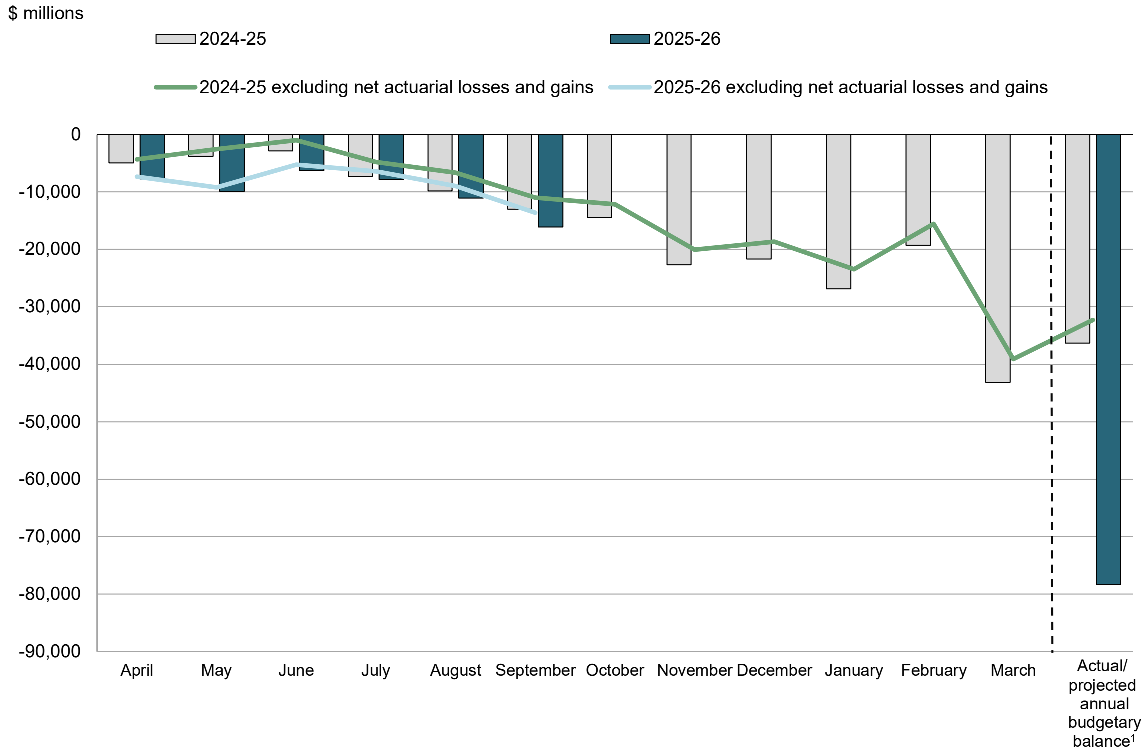
April to September 2025

The government posted a budgetary deficit of $16.1 billion for the April to September period of the 2025-26 fiscal year, compared to a deficit of $13.0 billion reported for the same period of 2024-25. The budgetary deficit before net actuarial losses and gains was $13.6 billion, compared to a deficit of $11.0 billion in the April to September period of 2024-25.

Compared to 2024-25:

- Revenues were up $5.8 billion, or 2.5 per cent, reflecting increases in customs import duties due to the countermeasures imposed in response to U.S. tariffs, and corporate and personal income tax revenues. These increases were offset in part by lower pollution pricing proceeds to be returned to Canadians and lower Goods and Services Tax (GST) revenues.
- Program expenses excluding net actuarial losses and gains were up $9.0 billion, or 4.2 per cent, reflecting increases in direct program expenses, major transfers to persons, and major transfers to provinces, territories and municipalities, which were partly offset by the wind-down of the Canada Carbon Rebate for individuals.
- Public debt charges decreased by $0.6 billion, or 2.2 per cent, mainly due to lower short-term interest rates on treasury bills and lower net interest on currency swap transactions, partially offset by higher average effective rates on an increased stock of marketable bonds.
- Net actuarial losses increased by $0.5 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, 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] Sources: *Annual Financial Report of the Government of Canada 2024-25;* Budget 2025.

Table 1
Summary statement of transactions
$ millions

	September		April to September	
	2024	**2025**	**2024-25**	**2025-26**
Budgetary transactions				
Revenues	36,135	37,051	232,410	238,226
Expenses				
Program expenses, excluding net actuarial losses and gains	-35,455	-37,084	-215,224	-224,247
Public debt charges	-4,989	-4,575	-28,186	-27,580
Budgetary balance, excluding net actuarial losses and gains	-4,309	-4,608	-11,000	-13,601
Net actuarial (losses) gains	1,140	-415	-2,010	-2,490
Budgetary balance (deficit/surplus)	-3,169	-5,023	-13,010	-16,091
Non-budgetary transactions	-5,838	-2,434	-50,388	-39,101
Financial source/requirement	-9,007	-7,457	-63,398	-55,192
Net change in financing activities	-1,446	-32,035	36,516	57,807
Net change in cash balances	-10,453	-39,492	-26,882	2,615
Cash balance at end of period			39,774	48,757

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

Revenues

Revenues in September 2025 totalled $37.1 billion, up $0.9 billion, or 2.5 per cent, from September 2024.

- Tax revenues increased by $1.6 billion, or 5.3 per cent, compared to the same period in 2024-25, reflecting increases across most categories.
- Pollution pricing proceeds to be returned to Canadians were down $0.9 billion, or 102.1 per cent, reflecting the cessation of the application of the federal fuel charge effective April 1, 2025.
- Employment Insurance (EI) premium revenues were up $0.2 billion, or 9.1 per cent, reflecting a higher number of persons employed.
- Other revenues were up $0.1 billion, or 1.3 per cent, reflecting a number of factors led by higher revenues from enterprise Crown corporations and year-over-year timing differences, offset in part by lower interest and penalty revenue.

Revenues for the April to September period of 2025-26 totalled $238.2 billion, up $5.8 billion, or 2.5 per cent, from the same period in 2024-25.

- Tax revenues increased by $10.1 billion, or 5.4 per cent, compared to the same period in 2024-25, reflecting increases in customs import duties, and corporate and personal income tax revenues, partially offset by lower GST 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 $6.0 billion, or 103.3 per cent, reflecting the cessation of the application of the federal fuel charge.
- EI premium revenues were up $0.8 billion, or 5.3 per cent, reflecting a higher number of persons employed.
- Other revenues were up $0.9 billion, or 4.0 per cent, reflecting a number of factors including higher revenues from enterprise Crown corporations, year-over-year timing differences, and higher offshore revenues, partly offset by lower interest and penalty revenue.

Table 2

Revenues

	September		Change	April to September		Change
	2024	2025		2024-25	2025-26	
	($ millions)		(%)	($ millions)		(%)
Tax revenues						
Income taxes						
Personal	18,011	18,217	1.1	105,357	107,979	2.5
Corporate	5,333	5,969	11.9	38,638	44,047	14.0
Non-resident	570	634	11.2	6,504	6,224	-4.3
Total income tax revenues	23,914	24,820	3.8	150,499	158,250	5.2
Other taxes and duties						
Goods and Services Tax	3,803	4,291	12.8	28,313	26,912	-4.9
Energy taxes	584	520	-11.0	2,868	2,803	-2.3
Customs import duties	448	749	67.2	2,701	6,537	142.0
Other taxes, excise taxes and duties	634	565	-10.9	3,765	3,720	-1.2
Total other taxes and duties	5,469	6,125	12.0	37,647	39,972	6.2
Total tax revenues	29,383	30,945	5.3	188,146	198,222	5.4
Pollution pricing proceeds to be returned to Canadians	862	-18	-102.1	5,801	-194	-103.3
Employment Insurance premiums	2,008	2,191	9.1	15,766	16,603	5.3
Other revenues	3,882	3,933	1.3	22,697	23,595	4.0
Total revenues	36,135	37,051	2.5	232,410	238,226	2.5

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses and gains in September 2025 were $37.1 billion, up $1.6 billion, or 4.6 per cent, from September 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 9.1 per cent.
  - Elderly benefits increased by $0.1 billion, or 2.2 per cent.
  - EI benefits increased by $0.7 billion, or 33.7 per cent, largely reflecting a higher unemployment rate in September this year and the timing of Labour Market Development Agreements payments to provinces and territories.
  - COVID-19 income support for workers increased $0.1 billion, or 154.5 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 2.8 per cent, mainly 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 3.0 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, offset in part by year-over-year differences in the timing of payments for early learning and child care and Canada Community-Building Fund transfers.
- Pollution pricing proceeds returned to Canadians decreased by $0.1 billion, or 59.0 per cent, primarily due to the phase-out of the Canada Carbon Rebate. Following the removal of the federal fuel charge effective April 1, 2025, rebate payments were in wind-down, with only final disbursements occurring in spring and summer 2025.
- Direct program expenses were up $0.5 billion, or 3.2 per cent. Within direct program expenses:
  - Other transfer payments increased by $49 million, or 0.8 per cent.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $0.5 billion, or 4.7 per cent, largely driven by higher personnel costs and defence expenses.

Public debt charges decreased $0.4 billion, or 8.3 per cent, as the impact of lower interest rates on treasury bills and lower interest on the government's pension and benefit obligations were largely offset by an increase in the stock and average effective interest rate of marketable bonds.

Net actuarial losses and 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, amounted to a $0.4-billion loss in September 2025, compared to a $1.1-billion gain in the same period last year. The change from the prior year is primarily due to a year-to-date adjustment in September 2024 to reflect updated estimates for the 2024-25 fiscal year.

For the April to September period of 2025-26, program expenses excluding net actuarial losses and gains were $224.2 billion, up $9.0 billion, or 4.2 per cent, from the same period the previous year.

- Major transfers to persons were up $4.1 billion or 6.4 per cent.
  - Elderly benefits increased by $0.9 billion, or 2.2 per cent, largely reflecting changes in consumer prices, to which benefits are fully indexed.
  - EI benefits increased by $2.3 billion, or 19.6 per cent, largely reflecting a higher unemployment rate in this period compared to the previous year, as well as the timing of Labour Market Development Agreements payments to provinces and territories.
  - COVID-19 income support for workers increased $0.4 billion, or 110.5 per cent, reflecting lower redeterminations of benefits, as well as current-year revisions to previous redeterminations.
  - Children's benefits were up $0.7 billion, or 4.7 per cent, mainly reflecting the indexation of benefits to consumer prices.
- Major transfers to provinces, territories and municipalities were up $3.0 billion, or 5.9 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, and higher year-to-date payments for Canada-wide early learning and child care and health agreements with provinces and territories.
- Pollution pricing proceeds returned to Canadians decreased by $3.2 billion, or 55.1 per cent, largely reflecting the structural wind-down of the Canada Carbon Rebate following the removal of the federal fuel charge.
- Direct program expenses were up $5.1 billion, or 5.5 per cent. Within direct program expenses:
  - Other transfer payments increased by $0.9 billion, or 2.5 per cent, reflecting a number of factors, including the rollout of transfers under the Canadian Dental Care Plan and year-over-year timing differences, offset in part by a payment to support the construction and maintenance of Indigenous community infrastructure in the prior year that did not reoccur in the current year, and lower provisions for disaster assistance.
  - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by $4.2 billion, or 7.4 per cent, largely reflecting an increase in personnel costs and defence expenses.

Public debt charges decreased by $0.6 billion, or 2.2 per cent, mainly due to lower short-term interest rates on treasury bills and lower net interest on currency swap transactions, partially offset by higher average effective rates on an increased stock of marketable bonds.

Net actuarial losses increased by $0.5 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, offset in part by the end of the amortization of certain prior years' net actuarial losses.

Table 3

Expenses

	September			April to September		
	2024	**2025**	**Change**	**2024-25**	**2025-26**	**Change**
	($ millions)		**(%)**	**($ millions)**		**(%)**
Major transfers to persons						
Elderly benefits	6,683	6,829	2.2	39,755	40,617	2.2
Employment Insurance benefits	2,195	2,935	33.7	11,482	13,735	19.6
COVID-19 income support for workers[1]	-44	24	154.5	-325	34	110.5
Children's benefits	2,397	2,464	2.8	13,944	14,597	4.7
Total major transfers to persons	11,231	12,252	9.1	64,856	68,983	6.4
Major transfers to provinces, territories and municipalities						
Canada Health Transfer	4,340	4,557	5.0	26,040	27,342	5.0
Canada Social Transfer	1,409	1,451	3.0	8,454	8,708	3.0
Equalization	2,104	2,181	3.7	12,626	13,085	3.6
Territorial Formula Financing	351	373	6.3	3,054	3,249	6.4
Canada-wide early learning and child care	62	-	-100.0	2,015	2,416	19.9
Canada Community-Building Fund	56	-	-100.0	1,175	1,243	5.8
Health agreements with provinces/territories[2]	10	15	50.0	2,250	2,456	9.2
Other fiscal arrangements[3]	-645	-661	-2.5	-3,945	-3,784	4.1
Total major transfers to provinces, territories and municipalities	7,687	7,916	3.0	51,669	54,715	5.9
Pollution pricing proceeds returned to Canadians	234	96	-59.0	5,896	2,647	-55.1
Direct program expenses						
Other transfer payments	6,376	6,425	0.8	36,350	37,257	2.5
Operating expenses	9,927	10,395	4.7	56,453	60,645	7.4
Total direct program expenses	16,303	16,820	3.2	92,803	97,902	5.5
Total program expenses, excluding net actuarial losses and gains	35,455	37,084	4.6	215,224	224,247	4.2
Public debt charges	4,989	4,575	-8.3	28,186	27,580	-2.2
Total expenses, excluding net actuarial losses and gains	40,444	41,659	3.0	243,410	251,827	3.5
Net actuarial losses (gains)	-1,140	415	-136.4	2,010	2,490	23.9
Total expenses	39,304	42,074	7.0	245,420	254,317	3.6

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.

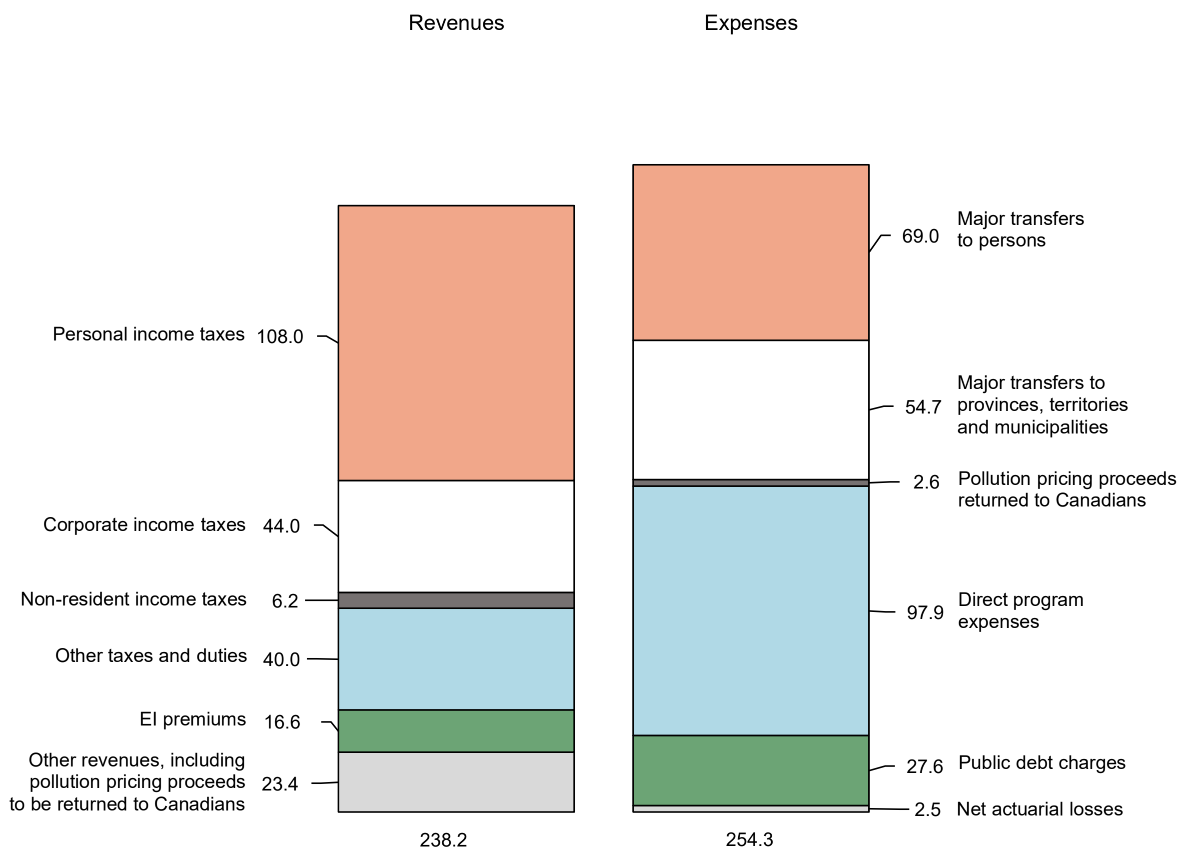
Table 4

Total expenses by object of expense

	September			April to September		
	2024	**2025**	**Change**	**2024-25**	**2025-26**	**Change**
	($ millions)		**(%)**	**($ millions)**		**(%)**
Transfer payments	25,528	26,689	4.5	158,771	163,602	3.0
Other expenses						
Personnel, excluding net actuarial losses and gains	5,848	6,188	5.8	34,828	37,436	7.5
Transportation and communications	317	268	-15.5	1,451	1,512	4.2
Information	40	28	-30.0	161	169	5.0
Professional and special services	1,727	1,689	-2.2	8,187	8,306	1.5
Rentals	295	292	-1.0	2,275	2,486	9.3
Repair and maintenance	347	319	-8.1	1,554	1,622	4.4
Utilities, materials and supplies	277	293	5.8	1,530	1,717	12.2
Other subsidies and expenses	617	890	44.2	3,752	4,449	18.6
Amortization of tangible capital assets	448	416	-7.1	2,661	2,873	8.0
Net loss on disposal of assets	11	12	9.1	54	75	38.9
Total other expenses	9,927	10,395	4.7	56,453	60,645	7.4
Total program expenses, excluding net actuarial losses and gains	35,455	37,084	4.6	215,224	224,247	4.2
Public debt charges	4,989	4,575	-8.3	28,186	27,580	-2.2
Total expenses, excluding net actuarial losses and gains	40,444	41,659	3.0	243,410	251,827	3.5
Net actuarial losses (gains)	-1,140	415	-136.4	2,010	2,490	23.9
Total expenses	39,304	42,074	7.0	245,420	254,317	3.6

Note: Totals may not add due to rounding.

Chart 3
Revenues and expenses (April to September 2025)



Note: Totals may not add due to rounding.

Financial requirement of $55.2 billion for April to September 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 $16.1 billion and a requirement of $39.1 billion from non-budgetary transactions, there was a financial requirement of $55.2 billion for the April to September 2025 period, compared to a financial requirement of $63.4 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

$ millions

	September		April to September	
	2024	2025	2024-25	2025-26
Budgetary balance (deficit/surplus)	-3,169	-5,023	-13,010	-16,091
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	2,853	2,936	-19,755	-14,215
Pensions, other future benefits, and other liabilities	-80	752	3,778	5,601
Foreign exchange accounts and derivatives	-1,457	1,717	-7,715	4,684
Loans, investments and advances	-6,209	-6,955	-23,454	-30,623
Non-financial assets	-945	-884	-3,242	-4,548
Total non-budgetary transactions	-5,838	-2,434	-50,388	-39,101
Financial source/requirement	-9,007	-7,457	-63,398	-55,192

Note: Totals may not add due to rounding.

Net financing activities up $57.8 billion

The government financed this financial requirement of $55.2 billion and increased cash balances by $2.6 billion by increasing unmatured debt by $57.8 billion. The increase in unmatured debt was achieved primarily through the issuance of marketable bonds and treasury bills.

Cash balances at the end of September 2025 stood at $48.8 billion, up $9.0 billion from their level at the end of September 2024.

Table 6

Financial source/requirement and net financing activities

$ millions

	September		April to September	
	2024	**2025**	**2024-25**	**2025-26**
Financial source/requirement	-9,007	-7,457	-63,398	-55,192
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	1,127	-30,512	16,949	41,591
Treasury bills	-4,871	-3,907	12,692	20,623
Total Canadian currency borrowings	-3,744	-34,419	29,641	62,214
Foreign currency borrowings	2,319	2,403	7,021	-4,533
Total market debt transactions	-1,425	-32,016	36,662	57,681
Obligations related to capital leases and other unmatured debt	-21	-19	-146	126
Net change in financing activities	-1,446	-32,035	36,516	57,807
Change in cash balance	-10,453	-39,492	-26,882	2,615
Cash balance at end of period			39,774	48,757

Note: Totals may not add due to rounding.

Federal debt

The federal debt, or accumulated deficit, is the difference between the government's total liabilities and total assets. The year-over-year change in the accumulated deficit reflects the year-to-date budgetary balance plus remeasurement gains and losses.

Remeasurement gains and losses include:

- changes in the fair value of derivatives, such as swap agreements and foreign exchange forward agreements, which are used by the government to manage financial risks, and
- certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits reported by consolidated Crown corporations, enterprise Crown corporations, and other government business enterprises.

Remeasurement gains and losses are not reflected in the budgetary balance but are instead charged directly to the accumulated deficit.

The accumulated deficit increased by $16.1 billion over the April to September 2025 period, reflecting the $16.1-billion budgetary deficit and $8 million in net remeasurement gains.

Table 7

Condensed statement of assets and liabilities

$ millions

	March 31, 2025	September 30, 2025	Change
Liabilities			
Accounts payable and accrued liabilities	259,725	231,822	-27,903
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	1,169,397	1,210,988	41,591
Treasury bills	282,252	302,875	20,623
Subtotal	1,451,649	1,513,863	62,214
Payable in foreign currencies	29,557	25,024	-4,533
Obligations related to capital leases and other unmatured debt	4,681	4,807	126
Total unmatured debt	1,485,887	1,543,694	57,807
Pension and other liabilities			
Public sector pensions	162,746	157,952	-4,794
Other employee and veteran future benefits	213,667	224,034	10,367
Other liabilities	7,031	7,059	28
Total pension and other liabilities	383,444	389,045	5,601
Total interest-bearing debt	1,869,331	1,932,739	63,408
Foreign exchange accounts liabilities	47,697	47,058	-639
Derivatives[1]	5,583	3,661	-1,922
Total liabilities	2,182,336	2,215,280	32,944
Financial assets			
Cash and accounts receivable	281,394	270,321	-11,073
Foreign exchange accounts assets	201,362	194,405	-6,957
Derivatives[1]	1,752	67	-1,685
Loans, investments, and advances (net of allowances)[2]	278,520	310,548	32,028
Public sector pension assets	25,722	25,722	-
Total financial assets	788,750	801,063	12,313
Net debt	1,393,586	1,414,217	20,631
Non-financial assets	127,102	131,650	4,548
Federal debt (accumulated deficit)	1,266,484	1,282,567	16,083

Note: Totals may not add due to rounding.

[1] September 30, 2025, net balance of derivative assets and derivative liabilities includes net remeasurement losses of $1.4 billion resulting from the change in their fair values over the April to September 2025 period.

[2] September 30, 2025, amount includes $1.4 billion in net remeasurement gains from enterprise Crown corporations and other government business enterprises, and from changes in the fair value of investments held by consolidated Crown corporations, for the April to September 2025 period.

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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November 2025