

# Quarterly Financial Report

For the quarter ended June 30, 2025

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Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada

# Statement outlining results, risks and significant changes in operations, personnel and program

## Introduction

This quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* in the form and manner prescribed by the Treasury Board. This report should be read in conjunction with the [Main Estimates](#).

Further details on the Canada Revenue Agency's (CRA) program activities can be found in the [Departmental Plan](#).

## Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CRA's spending authorities granted by Parliament and those used by the CRA consistent with the Main Estimates for the 2025-2026 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation of statutory spending authority for specific purposes.

The CRA uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

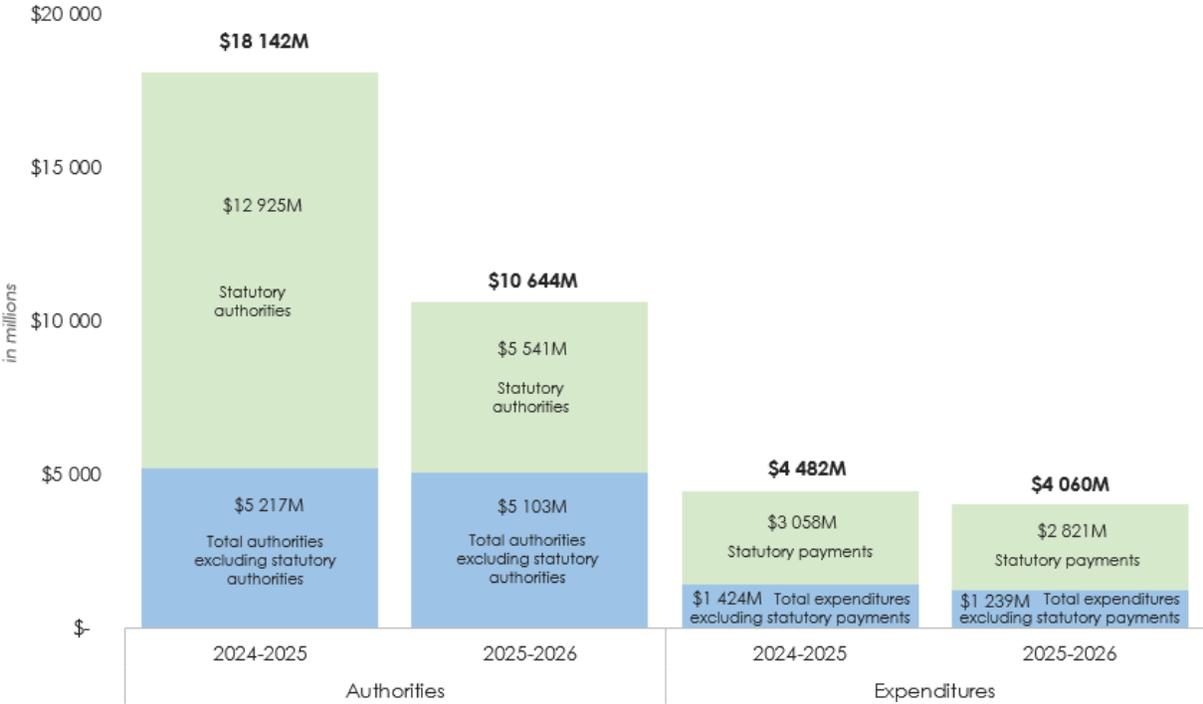
This quarterly report has not been subject to an external audit or review.

# Highlights of the fiscal year-to-date (YTD) results

Figure 1 below reflects the CRA's annual net authorities available for use, as well as the CRA's YTD expenditures as at June 30, 2025.

The CRA's annual net authorities have decreased significantly, primarily in statutory authorities, due to the removal of the federal fuel charge effective April 1, 2025. YTD expenditures have also decreased, due to both statutory payments and operating costs. Further analysis of authorities and expenditures is presented below.

**Annual net authorities and Q1 YTD expenditures as at June 30, 2025**



**Figure 1:** Annual net authorities against YTD expenditures as at June 30, 2025.  
**Note 1:** Refer to the Statement of Authorities, at the end of the report, for details of the specific items included in the statutory authorities.

## Year-over-year (YOY) analysis of authorities

This report reflects the results for the current fiscal year in relation to the Main Estimates and authorities available for use from the prior fiscal year. The current year authorities do not include the recently approved 2024 Fall Economic Statement funding, which will be sought through Supplementary Estimates. As shown in the summarized table below, the CRA's total Budgetary Authorities have decreased by **\$7,498M (\$7.5B)** since the first quarter of 2024-2025, from **\$18,142M (\$18.1B)** in 2024-2025, to **\$10,644M (\$10.6B)** in 2025-2026.

### Summarized Statement of Authorities (unaudited)

<i>(in millions of dollars)</i>	Total available for use for the year ending March 31, 2026	Total available for use for the year ending March 31, 2025	Variance in budgetary authorities
<b>Budgetary Statutory Authorities</b>	\$5,541M	\$12,925M	( <b>\$7,384M</b> )
The decrease in <b>Budgetary Statutory Authorities</b> is mostly due to the removal of the federal fuel charge effective April 1, 2025; therefore, only one final fuel charge payment has been issued (\$7,460M)			
<b>Gross Vote 1 – Operating Authorities</b>	\$5,457M	\$5,556M	( <b>\$99M</b> )
The decrease in <b>Gross Vote 1 Operating Authorities</b> is primarily related to the following: <ul style="list-style-type: none"> <li>• Decrease in authorities available for use from the prior fiscal year (\$309M)</li> <li>• Decrease due to the ramp up of Refocusing Government Spending reductions announced in the 2023 federal budget (\$30M)</li> <li>• Increase related to the 2022 federal budget measure to continue work on fighting tax evasion and strengthening tax compliance, \$10M</li> <li>• Increase related to current year increments of the latest collective agreements, primarily for the Professional Institute of the Public Service of Canada and Public Service Alliance of Canada groups, \$60M</li> <li>• Increase related to funding announced in the 2024 federal budget, primarily to maintain quality contact centre services and for the retroactive payments for the Canada Carbon Rebate (CCR) for small businesses, \$170M</li> </ul>			
<b>Vote 5 – Capital Authorities</b>	\$135M	\$143M	( <b>\$8M</b> )
The decrease in <b>Vote 5 Capital Authorities</b> is related to the following: <ul style="list-style-type: none"> <li>• Decrease in capital authorities due to a decrease in the vote realignment from the operating vote (\$20M)</li> <li>• Decrease in authorities related to the 2021 federal budget measure; Goods and Services Tax/Harmonized Sales Tax (GST/HST) Agile Risk Assessment (\$2M)</li> <li>• Decrease in authorities related to a previous federal budget measure; Protecting Taxpayer Information (\$1M)</li> <li>• Increase in authorities available for use from the prior year, \$15M</li> </ul>			
<b>Revenue Credited to the Vote (RCV)</b>	(\$489M)	(\$482M)	( <b>\$7M</b> )
The increase in <b>RCV</b> is primarily related to the current year increments associated with the latest collective agreements and the Canada Pension Plan Enhancement			
<b>Total Budgetary Authorities</b>	<b>\$10,644M (\$10.6B)</b>	<b>\$18,142M (\$18.1B)</b>	<b>(\$7,498M) (\$7.5B)</b>

# YOY analysis of expenditures

## Expenditures by vote

The **first quarter expenditures** as at June 30, 2025 have decreased by **\$422M**, from **\$4,482M (\$4.5B)** in 2024-2025 to **\$4,060M (\$4.1B)** in 2025-2026, as displayed in the Statement of Authorities. The material components of this YOY change are explained below.

### Summarized Statement of Authorities (unaudited)

<i>(in millions of dollars)</i>	YTD expenditures at June 30, 2025	YTD expenditures at June 30, 2024	Variance in YTD expenditures
<b>Budgetary Statutory Authorities</b>	\$2,821M	\$3,058M	<b>(\$237M)</b>
The majority of the decrease in <b>Budgetary Statutory Authorities</b> is primarily related to reductions in fuel charge payments issued, as a result of the removal of the federal fuel charge effective April 1, 2025 (\$260M)			
<b>Net Vote 1 – Operating Expenditures</b>	\$1,227M	\$1,409M	<b>(\$182M)</b>
The decrease in <b>Net Vote 1 Operating Expenditures</b> is primarily related to the following:			
<b>Salary</b>			
<ul style="list-style-type: none"> <li>• Decrease in determinate and student salaries, resulting from mitigation measures implemented in the prior and current year to reduce the CRA's operating expenditures (\$83M)</li> <li>• Decrease in expenditures related to overtime worked (\$5M)</li> </ul>			
<b>Operating and maintenance</b>			
<ul style="list-style-type: none"> <li>• Decrease in computer software expenditures related to Microsoft 365, which is now being paid via an ongoing budget transfer to Shared Service Canada (\$13M)</li> <li>• Decrease in travel expenditures due to efforts to reduce all non-discretionary amounts (\$3M)</li> </ul>			
<i>Variations related specifically to the Professional and special services standard object are detailed below on the next page.</i>			
<b>Vote 5 – Capital Expenditures</b>	\$12M	\$15M	<b>(\$3M)</b>
The decrease in <b>Vote 5 Capital Expenditures</b> is primarily related to the completion of major project investments.			
<b>Total Budgetary Authorities</b>	<b>\$4,060M (\$4.1B)</b>	<b>\$4,482M (\$4.5B)</b>	<b>(\$422M)</b>

## Expenditures by standard object

The material variances will be explained in the table below. All of the standard objects have realized decreases in YTD spending as of Q1. Further details on the most significant standard objects are below.

### Summarized Departmental Budgetary Expenditures by Standard Object (unaudited)

<i>(in millions of dollars)</i>	YTD expenditures at June 30, 2025	YTD expenditures at June 30, 2024	Variance in YTD expenditures
<b>Transfer payments</b>	\$2,642M	\$2,896M	<b>(\$254M)</b>
The decrease in <b>Transfer payments</b> , is primarily related to reductions in distribution of fuel charge payments issued, as a result of the removal of the federal fuel charge effective April 1, 2025 (\$260M)			
<b>Personnel</b>	\$1,322M	\$1,394M	<b>(\$72M)</b>
The variance explanation noted in the Net Vote 1 salary section is also applicable to the <b>Personnel</b> standard object, in addition to variances in other items, including the Employee Benefit Plan.			
<b>Other standard objects</b>	\$217M	\$315M	<b>(\$98M)</b>
Of the \$98M decrease, <b>\$68M</b> is related to the <b>Professional and special services</b> standard object. The following items relate to this variance specifically: <ul style="list-style-type: none"> <li>• Decrease due to the timing of billing received from the Department of Justice (\$62M)</li> <li>• Decrease in the transfer to Revenu Québec for the administration of the GST due to the timing and amount of the billing, (\$7M)</li> <li>• Decrease in IT consultants due to an active effort to meet the government's spending reduction commitments (\$4M)</li> <li>• Decrease in language consultants, course fees, and tuition costs (\$3M)</li> </ul> <b>\$14M</b> of the decrease relates to the <b>Acquisition of machinery and equipment</b> standard object primarily relates to reduced computer software expenses related to Microsoft 365, which is now being paid via an ongoing budget transfer to Shared Services Canada.  <b>\$6M</b> of the decrease relates to the <b>Rentals</b> standard object, which is a result of a reduction in the CRA's real property footprint, provided by Public Services and Procurement Canada.			
<b>Revenue Credited to the Vote</b>	(\$121M)	(\$123M)	<b>\$2M</b>
<b>Total Budgetary Authorities</b>	<b>\$4,060M (\$4.1B)</b>	<b>\$4,482M (\$4.5B)</b>	<b>(\$422M)</b>

Note 1. The Transfer payments standard object includes the Children's Special Allowance payments, CCR payments, Distribution of Fuel Charges – Provinces and Territories, Distribution of Fuel Charges – Farming Businesses, Distribution of Fuel Charges – Small Businesses, Energy Cost Benefit payments and payments to non-profit organizations

## Risks and uncertainties

The CRA is a world-class tax and benefits administration that is trusted, fair, and helpful by putting people first. As such, the CRA continually monitors its internal and external environments for events that could affect whether it achieves its strategic priorities and objectives. The Board of Management monitors, and senior management receives, quarterly updates on the CRA's Corporate Risk Profile (CRP), which involves regular monitoring of the entire risk portfolio. Given the shifting risk and financial environments, the Financial Management risk has been elevated to an enterprise-level risk. The CRA's key risks and mitigation strategies are outlined in the [2025-2026 Departmental Plan](#).

The CRA recognizes that all of the key risks identified in the Departmental Plan could have financial impacts should they materialize. The key risks and associated mitigation strategies outlined in the Departmental Plan relate to the CRA's 2025-2026 strategic priorities, which include the following:

- Deliver high quality services
- Ensure the fairness of the tax system
- Transform digitally
- Nurture a high-performing and diverse workforce in a modern, flexible, inclusive, and accessible workplace

### Significant changes in relation to operations, personnel, and programs

This fiscal year is expected to be challenging, as the CRA navigates a period of increased demands and fiscal constraint. Spending reductions and the emphasis on fiscal prudence continue to be central themes this year. The winding down of funding associated with post-pandemic support, the ending of select funding and the government-wide savings initiatives have contributed to reducing the CRA's authorities.

Moreover, external factors such as the growth of the Canadian population and increased security risks are impacting program costs. These changes, which may need to be actioned on a priority basis, would require timely sources of funds since the CRA's financial flexibility has been eroded.

The CRA continues to contribute to the government's priority of Responsible Government Spending by reducing discretionary spending on travel, professional services, and other operating expenditures. The CRA has been proactive in advancing its financial plans, while ensuring the long-term financial viability of the Agency. These plans have necessitated the commencement of workforce adjustment actions as well as the ending of term contracts earlier than anticipated.

The CRA's goal, throughout the financial planning process, has been to minimize the impact on employees, core business, and service to Canadians, while ensuring the ability to operate within its allotted authorities is assured.

## Approval by Senior Officials

Approved by:



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Jean-François Fortin on behalf of  
Bob Hamilton, Commissioner

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Hugo Pagé, Chief Financial Officer

*Ottawa, Canada*  
Date: 2025-08-21

## CANADA REVENUE AGENCY

### Quarterly Financial Report

For the quarter ended June 30, 2025

#### STATEMENT OF AUTHORITIES (unaudited)

(in thousands of dollars)	Fiscal year 2025-2026			Fiscal year 2024-2025		
	Total available for use for the year ending March 31, 2026 <sup>1</sup>	Used during the quarter ended June 30, 2025	Year to date used at quarter-end	Total available for use for the year ending March 31, 2025 <sup>1</sup>	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
<b>Vote 1 - Operating expenditures</b>						
Gross Operating expenditures	5 457 113	1 348 497	1 348 497	5 556 071	1 532 228	1 532 228
Revenues netted against expenditures	(489 859)	(121 425)	(121 425)	(482 414)	(122 990)	(122 990)
<b>Net Vote 1 - Operating expenditures</b>	4 967 254	1 227 072	1 227 072	5 073 657	1 409 238	1 409 238
<b>Vote 5 - Capital expenditures</b>	135 712	12 146	12 146	143 423	14 650	14 650
<b>Budgetary Statutory Authorities</b>						
Contributions to employee benefit plans	661 636	165 409	165 409	568 546	142 137	142 137
Children's Special Allowance payments ( <i>Children's Special Allowances Act</i> )	423 000	108 848	108 848	396 000	102 187	102 187
Canada Carbon Rebate payments	3 522 000	2 319 356	2 319 356	11 358 000	2 700 767	2 700 767
Spending of revenues received through the conduct of its operations pursuant to section 60 of the <i>Canada Revenue Agency Act</i>	293 913	12 845	12 845	338 773	19 519	19 519
Distribution of Fuel Charges - Provinces and Territories	17 000	20 823	20 823	60 000	7 649	7 649
Distribution of Fuel Charges - Farming Businesses	-	94 350	94 350	203 500	85 567	85 567
Distribution of Fuel Charges - Small and Medium-sized businesses	623 000	99 203	99 203	-	-	-
Minister's salary and motor car allowance	102	15	15	99	25	25
Court awards - Tax Court of Canada	-	78	78	-	166	166
Spending proceeds from the disposal of surplus Crown Assets	-	12	12	-	19	19
Energy Cost Benefit	-	(1)	(1)	-	(1)	(1)
<b>Total Budgetary Statutory Authorities</b>	5 540 651	2 820 938	2 820 938	12 924 918	3 058 035	3 058 035
<b>Total Budgetary Authorities</b>	10 643 617	4 060 156	4 060 156	18 141 998	4 481 923	4 481 923

1. Includes only authorities available for use and granted by Parliament at quarter-end.

2. Statutory authorities will be adjusted at year-end to reflect actual expenditures. Any incongruences between statutory authorities and spending will be resolved at year-end.

**CANADA REVENUE AGENCY**  
**Quarterly Financial Report**  
**For the quarter ended June 30, 2025**

**DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)**

<i>(in thousands of dollars)</i>	Fiscal year 2025-2026			Fiscal year 2024-2025		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel	\$ 5 186 616	\$ 1 322 070	\$ 1 322 070	\$ 4 931 715	\$ 1 394 216	\$ 1 394 216
Transportation and communications	\$ 183 684	\$ 32 817	\$ 32 817	\$ 240 789	\$ 34 478	\$ 34 478
Information	\$ 33 586	\$ 2 163	\$ 2 163	\$ 43 246	\$ 5 835	\$ 5 835
Professional and special services	\$ 740 753	\$ 103 557	\$ 103 557	\$ 904 898	\$ 171 231	\$ 171 231
Rentals	\$ 278 385	\$ 62 809	\$ 62 809	\$ 309 149	\$ 68 853	\$ 68 853
Purchased repair and maintenance	\$ 47 076	\$ 7 876	\$ 7 876	\$ 69 016	\$ 10 891	\$ 10 891
Utilities, materials, and supplies	\$ 32 024	\$ 2 173	\$ 2 173	\$ 42 890	\$ 3 375	\$ 3 375
Acquisition of machinery and equipment	\$ 41 638	\$ 3 857	\$ 3 857	\$ 58 809	\$ 17 498	\$ 17 498
Transfer payments	\$ 4 589 454	\$ 2 642 579	\$ 2 642 579	\$ 12 023 544	\$ 2 896 170	\$ 2 896 170
Other subsidies and payments	\$ 260	\$ 1 680	\$ 1 680	\$ 356	\$ 2 366	\$ 2 366
<b>Total Gross Budgetary Expenditures</b>	<b>\$ 11 133 476</b>	<b>\$ 4 181 581</b>	<b>\$ 4 181 581</b>	<b>\$ 18 624 412</b>	<b>\$ 4 604 913</b>	<b>\$ 4 604 913</b>
Less: Revenues netted against expenditures	\$ 489 859	\$ 121 425	\$ 121 425	\$ 482 414	\$ 122 990	\$ 122 990
<b>Total Net Budgetary Expenditures</b>	<b>\$ 10 643 617</b>	<b>\$ 4 060 156</b>	<b>\$ 4 060 156</b>	<b>\$ 18 141 998</b>	<b>\$ 4 481 923</b>	<b>\$ 4 481 923</b>