

**Natural Sciences and Engineering Research Council of Canada**  
**Quarterly Financial Report**  
**For the Quarter Ended June 30, 2025**

Catalogue Number: NS1-36E-PDF

ISSN: 2564-1107

**Statement outlining the results, risks and significant changes in operations, personnel and programs**

## **1. Introduction**

This Quarterly Financial Report (QFR) has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) (FAA) and in the form and manner prescribed by the Treasury Board. It should be read in conjunction with the 2025–26 [Main Estimates](#). This report has not been subject to an external audit or review.

### **1.1 Authority, mandate and programs**

The Natural Sciences and Engineering Research Council of Canada (NSERC) was established in 1978 by the *Natural Sciences and Engineering Research Council Act* and is a departmental corporation named in Schedule II of the FAA. NSERC's purpose is to help make Canada a country of discoverers and innovators for the benefit of all Canadians by supporting post-secondary students and postdoctoral fellows in their advanced studies, funding the research programs of academic researchers, and stimulating partnerships between academia and industry.

Further information on the NSERC mandate and program activities can be found in [Part II of the Main Estimates](#).

### **1.2 Basis of presentation**

Management prepared this quarterly report using an expenditure basis of accounting. The accompanying statement of authorities includes NSERC's spending authorities, as granted by Parliament, and those used by the agency, consistent with the Main Estimates for fiscal year 2025–26. This quarterly report has been prepared using a special-purpose financial reporting framework designed to meet the financial information needs related to the use of spending authorities.

The authority of Parliament is required before the Government of Canada can spend money. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authorities for specific purposes.

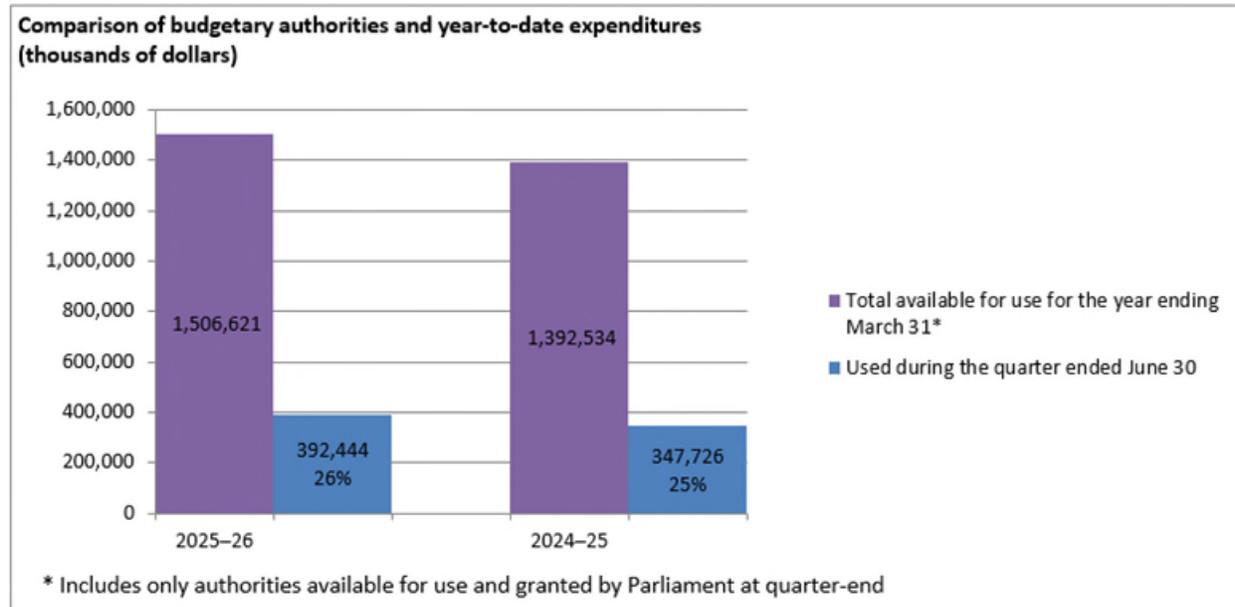
NSERC uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the departmental results reporting process. However, the spending authorities voted on by Parliament remain on an expenditure basis.

## **2. Highlights of fiscal quarter and fiscal year-to-date results**

This section highlights the significant items that contributed to the change in resources available for the fiscal year, and the actual year-to-date expenditures compared with the previous fiscal year.

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The following graph provides a comparison of budgetary authorities available for the full fiscal year and quarterly budgetary expenditures for the fiscal years 2025–26 and 2024–25.



### 2.1 Significant changes to budgetary authorities

As of June 30, 2025, NSERC's total available authorities for the fiscal year 2025–26 amounted to \$1.507 billion. This represents an overall increase of \$114.1 million (8.2%) from the same period in the previous year. The major changes in NSERC's budgetary authorities between the current and previous fiscal years include the following:

- An increase of \$47.4 million from Budget 2024 for increasing Core Research Grants
- An increase of \$44.5 million from Budget 2024 for increasing the Scholarship and Fellowship award values
- An increase of \$15.0 million from Budget 2024 for the development of a tri-agency grant management system (TGMS)
- A decrease of \$6.8 million for the transfer of funds related to the College and Community Innovation program to the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR), based on the competition results between the three agencies
- An increase of \$6.2 million for the Canadian post-secondary institutions that were successful in the 2024 Canada Excellence Research Chairs competition
- An increase of \$4.8 million from Environment and Climate Change Canada for the Plastics Science and Innovation for a Cleaner and More Sustainable Future initiative
- A net increase of \$4.7 million from Budget 2023 to continue implementing the Lab to Market initiative
- A net decrease of \$2.8 million from Budget 2023 for the Community and College Innovation program top-up

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## 2.2 Significant changes to authorities used

### Year-to-date spending

The following table provides a comparison of cumulative spending by vote for the current and previous fiscal years.

#### Year-to-date budgetary expenditures used at quarter end

(millions of dollars)

#### Vote 1—Operating expenditures

Personnel (includes contributions to EBP)

Non-personnel

#### Vote 5—Grants and scholarships

#### Total budgetary expenditures

	2025–26	2024–25	Variance
Personnel (includes contributions to EBP)	15.4	15.0	0.4
Non-personnel	1.4	1.7	(0.3)
Vote 5—Grants and scholarships	375.6	331.0	44.6
<b>Total budgetary expenditures</b>	<b>392.4</b>	<b>347.7</b>	<b>44.7</b>

Total budgetary expenditures amounted to \$392.4 million at the end of the first quarter of fiscal year 2025–26, compared to \$347.7 million reported in the same period in the previous fiscal year.

### Grants and scholarships

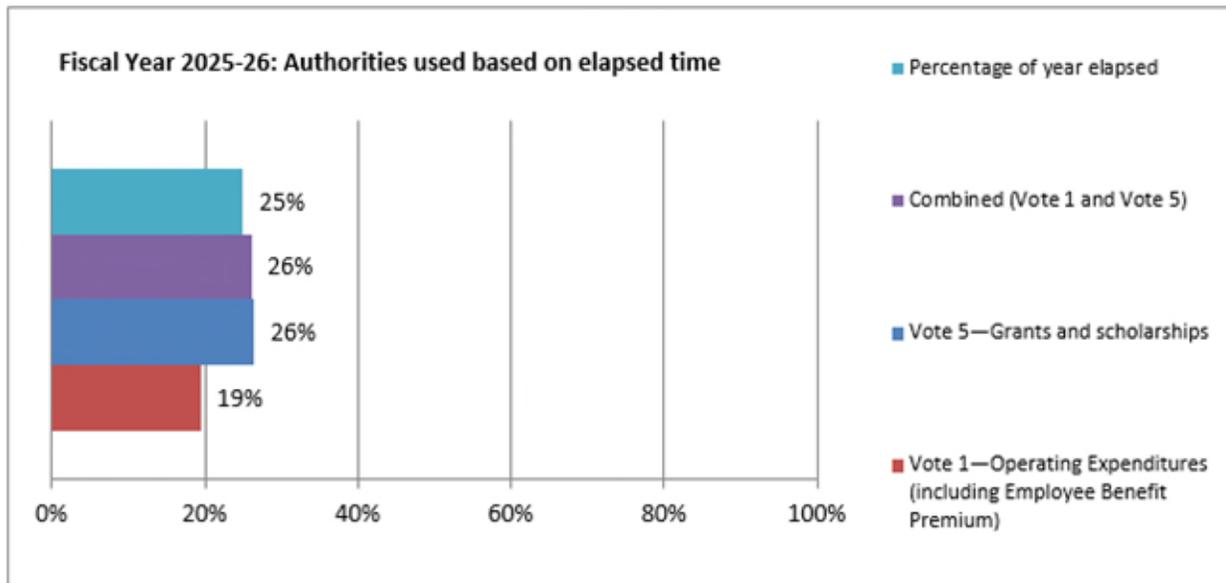
At the end of the first quarter of 2025–26, grants and scholarship expenses increased by \$44.6 million compared to those reported in the same period of the previous fiscal year. The increase is due mainly to additional budget authorities (refer to section 2.1) and the timing of award payments.

### Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans, have remained largely in line with those of the previous fiscal year.

Total non-personnel expenditures as of the first quarter of fiscal year 2025–26 have also remained largely in line with the comparative period of the previous fiscal year. There was a decrease in software rentals, partially offset by an increase in data communication services and travel for operational activities and stakeholder engagements. Please see the departmental budgetary expenditures by standard object table in section 6 for additional details.

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The total authorities used at the end of the first quarter (\$392.4 million) of the fiscal year 2025–26 represent 26% of total available authorities (\$1.507 billion).

### 3. Risks and uncertainties

NSERC produces an annual Corporate Risk Profile that includes strategic risks, risk levels and mitigation activities. NSERC has aligned corporate risk management with its integrated planning process to ensure cohesion and executive oversight in the delivery of its mandate.

The 2025–26 risk assessment exercise provided the level of insight required to properly plan risk responses through the allocation of resources, both human and financial, and through the prioritization of activities. Senior management is closely monitoring the following three strategic risks for 2025–26:

- i. **Technology evolution and operational continuity** – There is a risk that IT legacy systems and ongoing technology transitions (TGMS, NSERC website, Access to Information Act and Privacy [ATIP] Access Pro, Shared Travel Services) may disrupt operations, impacting continuity and the organization's ability to deliver on results. This risk emphasizes the challenges of evolving technology, including AI adoption, while ensuring uninterrupted operations.
- ii. **Change and resource management** – There is a risk that the pace, frequency and complexity of required change initiatives exceeds the availability of financial and human resources, impacting organizational adaptability, resource allocation and capacity to implement changes effectively.
- iii. **Stakeholder trust and strategic impact** – There is a risk that events or shortcomings impacting stakeholders' perception could harm the organization's reputation, eroding stakeholder and public trust and confidence in the organization. There is also a risk of being unable to safeguard the organization's long-term strategic position in the modernized research ecosystem.

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### 4. Significant changes related to operations, personnel and programs

NSERC announced the recent appointment of six new members to its [Council](#):

- [Kristin Baetz](#), University of Calgary
- [Michelle Chrétien](#), Conestoga College
- [Stephen Green](#), PAL Aerospace
- [Jean-Pierre Perreault](#), Université de Sherbrooke
- [Madison Rilling](#), Optonique, Québec's photonics cluster
- [Nur Zincir-Heywood](#), Dalhousie University

The new members were selected using the [Governor in Council appointment](#) process. This open, transparent and merit-based process aims to help the Government of Canada achieve gender parity by filling positions with highly qualified candidates who reflect Canada's diversity.

On March 11, 2025, the three federal research funding agencies – [CIHR](#), [NSERC](#) and [SSHRC](#) – announced that the scholarship and fellowship programs have been streamlined into a new harmonized talent program called the Canada Research Training Awards Suite (CRTAS). With the new CRTAS program, the annual number of scholarships and fellowships available to graduate students and postdoctoral researchers will increase by 1,720 awards. This increase will include 300 additional awards at the master's level, 1,200 at the doctoral level and 220 at the postdoctoral level. The annual value for these awards will be \$27,000 at the master's level, \$40,000 at the doctoral level and \$70,000 at the postdoctoral level.

On March 21, 2025, the three federal research funding agencies announced the following new funding opportunities for Indigenous-led research, related to the commitment in Federal Budget 2024 to provide \$30 million to support and increase Indigenous participation in research:

- Indigenous Capacity and Leadership in Research Connection Grants (for First Nations and Métis)
- Indigenous Innovation and Leadership in Research Network Grants (for First Nations and Métis)
- Inuit Research Network Grant (Phase 3)

The agencies have sought to co-develop, through engagement with Indigenous research partners, new funding opportunities committed to Indigenous self-determination, the decolonization of research, and more equitable access and support for Indigenous organizations and researchers.

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Approved by:

**Prof. Alejandro Adem, FRSC  
President**

**Dominique Osterrath  
Chief Financial Officer and Vice-  
President, Common  
Administrative Services  
Directorate**

**Ottawa, Canada  
August 29, 2025**

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**5. Statement of authorities (unaudited)**

	Fiscal year 2025–26			Fiscal year 2024–25		
	Total available for use for the year ending March 31, 2026*	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*	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Operating expenditures	77,126	14,538	14,538	58,597	14,969	14,969
Vote 5—Grants and scholarships	1,420,234	375,642	375,642	1,326,872	331,042	331,042
Budgetary statutory authorities						
Contributions to the employee benefit plan	9,058	2,264	2,264	6,862	1,715	1,715
Spending of revenues pursuant to subsection 4 (2) of the <i>Natural Sciences and Engineering Research Council Act</i>	203	-	-	203	-	-
<b>Total budgetary authorities</b>	<b>1,506,621</b>	<b>392,444</b>	<b>392,444</b>	<b>1,392,534</b>	<b>347,726</b>	<b>347,726</b>

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

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**6. Departmental budgetary expenditures by standard object (unaudited)**

<i>(in thousands of dollars)</i>	Fiscal year 2025–26			Fiscal year 2024–25		
	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><u>Expenditures</u></b>						
Personnel	68,258	15,446	15,446	56,586	15,044	15,044
Transportation and communications	1,356	269	269	565	140	140
Information	1,681	27	27	832	92	92
Professional and special services	9,321	723	723	4,461	617	617
Rentals	2,701	125	125	1,120	635	635
Repair and maintenance	222	-	-	94	19	19
Utilities, materials and supplies	97	14	14	41	10	10
Acquisition of machinery and equipment	2,745	200	200	1,959	129	129
Other subsidies and payments	6	(2)	(2)	4	(2)	(2)
Transfer payments	1,420,234	375,642	375,642	1,326,872	331,042	331,042
<b>Total budgetary expenditures</b>	<b>1,506,621</b>	<b>392,444</b>	<b>392,444</b>	<b>1,392,534</b>	<b>347,726</b>	<b>347,726</b>