

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

FINANCIAL STATEMENTS (Unaudited)

For the year ended March 31, 2022

Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2022, and all information contained in these statements rests with the management of the Natural Sciences and Engineering Research Council (NSERC). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of NSERC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in NSERC's *Departmental Results Reports*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout NSERC and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2022, was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the annex.

The effectiveness and adequacy of the NSERC's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the NSERC's operations, and by the Independent Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the President.

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Alejandro

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Alejandro Adem, FRSC
President

Ottawa, Canada

August 22, 2022

Osterrath,
Dominique O

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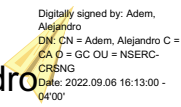
Dominique Osterrath
Chief Financial Officer

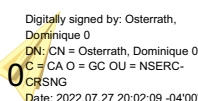
NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL
Statement of Financial Position (unaudited)
As at March 31
(in thousands of dollars)

	2022	2021
Liabilities		
Accounts payable and accrued liabilities [Note 4]	55,676	39,911
Vacation pay and compensatory leave	3,737	2,731
Employee future benefits [Note 5b]	459	501
Total net liabilities	59,872	43,143
Financial assets		
Due from Consolidated Revenue Fund	50,212	36,353
Accounts receivable and advances [Note 6]	5,983	4,437
Total net financial assets	56,195	40,790
Departmental net debt	3,677	2,353
Non-financial assets		
Prepaid expenses	651	913
Tangible capital assets [Note 7]	3,993	2,069
Total non-financial assets	4,644	2,982
Departmental net financial position	967	629

Contractual obligations and commitments [Note 8]

The accompanying notes form an integral part of these financial statements.

Adem, 
Alejandro Adem, FRSC
President

Osterrath, 
Dominique Osterrath
Chief Financial Officer

Ottawa, Canada

August 22, 2022

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL
Statement of Operations and Departmental Net Financial Position (unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2022</u>	<u>2022</u>	<u>2021</u>
	Planned Results		
Expenses			
Funding Natural Sciences and Engineering Research and Training	1,357,611	1,383,556	1,459,191
Internal Services	<u>29,982</u>	<u>29,372</u>	<u>32,688</u>
Total Expenses	<u>1,387,593</u>	<u>1,412,928</u>	<u>1,491,879</u>
Revenues			
Miscellaneous revenues	<u>179</u>	<u>185</u>	<u>133</u>
Total Revenues	<u>179</u>	<u>185</u>	<u>133</u>
Net cost of operations before government funding and transfers	<u>1,387,414</u>	<u>1,412,743</u>	<u>1,491,746</u>
Government funding and transfers			
Net cash provided by Government of Canada		1,391,892	1,487,409
Change in Due from Consolidated Revenue Fund		13,859	(2,015)
Services provided without charge by other government departments [Note 9a]		7,311	7,788
Other transfers of assets from other government departments [Note 9c]		<u>18</u>	<u>-</u>
Total Government funding and transfers		<u>1,413,080</u>	<u>1,493,182</u>
Net cost of operations after government funding and transfers		337	1,436
Departmental net financial position - Beginning of year		629	(807)
Departmental net financial position - End of year		<u>967</u>	<u>629</u>

Segmented information [Note 10]

The accompanying notes form an integral part of these financial statements.

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL
Statement of Change in Departmental Net Debt (unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Net cost of operations after government funding and transfers	(337)	(1,436)
Change due to tangible capital assets		
Acquisition of tangible capital assets [Note 7]	2,221	1,776
Amortization of tangible capital assets [Note 7]	(208)	(364)
Adjustments to tangible capital assets [Note 7]	(45)	(17)
Net loss on disposal of tangible capital assets including adjustments	(7)	-
Proceeds from disposal of tangible capital assets	(38)	-
Total change due to tangible capital assets	<u>1,923</u>	<u>1,395</u>
Change due to prepaid expenses	(262)	367
Net increase in departmental net debt	<u>1,324</u>	<u>326</u>
Departmental net debt - Beginning of year	2,353	2,027
Departmental net debt - End of year	<u>3,677</u>	<u>2,353</u>

The accompanying notes form an integral part of these financial statements.

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL
Statement of Cash Flows (unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Operating activities		
Net cost of operations before government funding and transfers	1,412,743	1,491,746
Non-cash items:		
Amortization of tangible capital assets [Note 7]	(208)	(364)
Adjustments to tangible capital assets [Note 7]	(45)	(17)
Services provided without charge by other government departments [Note 9a]	(7,311)	(7,788)
Loss on disposal of tangible capital assets	(7)	-
Variations in Statement of Financial Position:		
Decrease (increase) in accounts payable and accrued liabilities [Note 4]	(15,765)	2,695
Decrease (increase) in employee future benefits [Note 5b]	42	(2)
Decrease (increase) in vacation pay and compensatory leave	(1,006)	62
Increase (decrease) in accounts receivable and advances [Note 6]	1,546	(1,066)
Increase (decrease) in prepaid expenses	(262)	367
Increase in other transfers of assets from other government departments [Note 9c]	(18)	-
Cash used in operating activities	1,389,709	1,485,633
Capital investing activities		
Acquisition of tangible capital assets [Note 7]	2,221	1,776
Proceeds from disposal of tangible capital asset	(38)	-
Cash used in capital investing activities	2,183	1,776
Financing activities	-	-
Net cash provided by Government of Canada	1,391,892	1,487,409

The accompanying notes form an integral part of these financial statements.

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

1. Authority and Objectives

The Natural Sciences and Engineering Research Council (NSERC) was established in 1978 by the *Natural Sciences and Engineering Research Council Act*, and is a departmental corporation named in Schedule II to the *Financial Administration Act*. NSERC's purpose is to help make Canada a country of discoverers and innovators for the benefit of all Canadians, by supporting students, postdoctoral fellows, university professors and university-industry research partnerships. NSERC's grants, scholarships and operating expenditures are funded by budgetary lapsing authorities. Employee benefits are funded by statutory authorities. NSERC delivers its objectives through the following programs:

a) Funding Natural Sciences and Engineering Research and Training

NSERC, through grants, fellowships and scholarships, promotes and supports research and research training in the natural sciences and engineering to develop talent, generate discoveries, and support innovation in pursuit of economic, environmental and social outcomes for Canadians.

b) Internal Services

NSERC and Social Sciences and Humanities Research Council (SSHRC) share internal services for general administration, human resources, finance, awards administration, information management and technology, program evaluation and audit services. This common administrative services model has proven highly efficient for the two federal granting agencies. In addition, NSERC has its own corporate services to address the agency's distinct needs in terms of governance, policy, planning, statistics, performance measurement, communications and international relations. Internal Services provide support to the organization as a whole in the form of operations and maintenance funds. They are necessary to support the delivery of programs and other corporate obligations and include activities that apply across the organization, rather than those that support a specific program.

2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Parliamentary authorities

NSERC is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the agency do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

Statement of Operations and Departmental net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the *2021-22 Departmental Plan*. Planned results are not presented in the “Government funding and transfers” section of the Statement of Operations and Departmental net Financial Position and in the Statement of Change in Departmental net Debt because these amounts were not included in NSERC’s *2021-22 Departmental Plan*.

b) Net cash provided by Government of Canada

NSERC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by NSERC is deposited to the CRF, and all cash disbursements made by NSERC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between other departments of the Government.

c) Amounts due from the CRF

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Due from the CRF represent the net amount of cash that NSERC is entitled to draw from the CRF without further authorities, to discharge its liabilities.

d) Revenues

Miscellaneous revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenues are then recognized in the period in which the related expenses are incurred.

Included in miscellaneous revenue are revenues that are spendable and non-spendable. Non-spendable revenues are not available to discharge NSERC’s liabilities. While the President is expected to maintain accounting control, they have no authority regarding the disposition of non-spendable revenues. As a result, non-spendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the agency’s gross revenues.

e) Expenses

Expenses are recorded on an accrual basis.

Grants and scholarships (transfer payments) are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements established for the transfer payment program.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

Services provided without charge by other government departments for accommodation, and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost. These amounts are also presented as government funding.

f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (the Plan), a multiemployer pension plan administered by the Government. NSERC's contributions to the Plan are charged to expenses in the year incurred and represent NSERC's total obligation to the Plan. NSERC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government, the Plan's sponsor.

(ii) Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

g) Accounts receivable and advances

Accounts receivable and advances are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts receivable and advances where recovery is considered uncertain.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. NSERC is not exposed to significant credit risk. Accounts receivable and advances are due on demand. The majority of accounts receivable and advances are due from other government departments and agencies where there is minimal potential risk of loss. The maximum exposure NSERC has to credit risk is equal to the carrying value of its accounts receivable and advances.

h) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life and valuation of tangible capital assets. Actual results could significantly differ from

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, are recorded in the financial statements in the year in which they become known.

j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i) Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii) Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount. Other related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

3. Parliamentary Authorities

NSERC receives its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and in the Statement of Operations and Departmental net Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, NSERC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

a) Reconciliation of net cost of operations to current year authorities used

a) Reconciliation of net cost of operations to current year authorities used:

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Net cost of operations before government funding and transfers	1,412,743	1,491,746
Adjustments for items affecting net cost of operations but not affecting authorities:		
Miscellaneous revenues	185	133
Amortization of tangible capital assets	(208)	(364)
Adjustments to tangible capital assets	(45)	(17)
Services provided without charge by other government departments	(7,311)	(7,788)
Loss on disposal of tangible capital assets	(7)	-
Decrease (increase) in vacation pay and compensatory leave	(1,006)	62
Decrease (increase) in employee future benefits	42	(2)
Refunds of prior years' expenditures	6,935	2,420
Other adjustments	<u>(3)</u>	<u>(3)</u>
Total items affecting net cost of operations but not affecting authorities	(1,418)	(5,559)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	2,221	1,776
Decrease (increase) in salary overpayments	11	145
Other transfers of assets from other government departments	18	-
Proceeds from disposal of tangible capital asset	(38)	-
Increase (decrease) in prepaid expenses	<u>(262)</u>	<u>367</u>
Total items not affecting net cost of operations but affecting authorities	1,950	2,288
Current year authorities used	<u>1,413,275</u>	<u>1,488,475</u>

**Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31**

b) Authorities provided and used

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Authorities provided:		
Vote 5 - Grants	1,354,676	1,314,087
Vote 1 – Operating expenditures	66,684	57,979
Statutory contributions to employee benefit plans	7,670	6,384
Spending of revenues pursuant to subsection 4 (2) of the Natural Sciences and Engineering Research Council Act	34	-
Spending of proceeds from disposition of crown assets	175	130
Payments to support students and youth impacted by COVID-19 pursuant to the Public Health Events of National Concern Payments Act	-	114,858
Less:		
Authorities available for future years	(54)	(873)
Lapsed : Grants	(12,837)	(1,443)
Lapsed : Operating	(3,073)	(2,647)
Current year authorities used	<u><u>1,413,275</u></u>	<u><u>1,488,475</u></u>

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are measured at cost. The following table presents details of NSERC's accounts payable and accrued liabilities:

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Accounts payable - Other government departments and agencies	4,401	3,312
Accounts payable - External parties	47,122	32,379
Total accounts payable	51,523	35,691
Accrued liabilities	4,153	4,220
Total accounts payable and accrued liabilities	<u><u>55,676</u></u>	<u><u>39,911</u></u>

5. Employee future benefits

a) Pension benefits

NSERC's employees participate in the Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

Both the employees and NSERC contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2021-2022 expense amounts to \$5,182,053 (\$4,499,900 in 2020-2021). NSERC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, the Plan's sponsor.

b) Severance benefits

Severance benefits provided to the employees of NSERC were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011, the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2022, all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Accrued benefit obligation - Beginning of year	501	499
Expense (gain) for the year	4	11
Benefits paid during the year	(46)	(9)
Accrued benefit obligation - End of year	<u>459</u>	<u>501</u>

6. Accounts receivable and advances

The following table presents details of NSERC's balance of accounts receivable and advances:

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Receivables - Other government departments and agencies	5,381	3,515
Receivables - External parties	377	708
Receivables - Employees	225	214
Net accounts receivable	<u>5,983</u>	<u>4,437</u>

NSERC has no allowance for doubtful accounts on receivables from external parties.

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

7. Tangible capital assets

All tangible capital assets and leasehold improvements having an individual initial cost of \$5,000 or more are recorded at their acquisition cost. NSERC does not capitalize intangibles.

Amortization of tangible capital assets is performed on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Computer hardware	3 years
Computer purchased and developed software	5 years
Machinery and equipment	5 years
Other equipment (including furniture)	7 years
Motor Vehicles	7 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

(in thousands of dollars)

Capital asset class	Cost					Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Adjustments (*)	Disposals and Write-Offs	Closing balance	Opening balance	Amortization	Disposals and Write-Offs	Closing balance	2022	2021
Computer hardware	6,640	295	-	-	6,935	6,366	142	-	6,508	427	274
Computer purchased and developed software	13,891	83	(9)	-	13,965	13,797	42	-	13,839	126	94
Machinery and equipment	612	-	(36)	-	576	570	6	-	576	-	42
Other equipment (including furniture)	4,100	-	-	-	4,100	4,100	-	-	4,100	-	-
Leasehold improvements	4,085	-	-	(4,085)	-	4,056	18	(4,074)	-	-	29
Motor Vehicles	39	-	-	(39)	-	6	-	(6)	-	-	33
Other Construction or Work in Progress	1,597	1,843	-	-	3,440	-	-	-	-	3,440	1,597
Total	30,964	2,221	(45)	(4,124)	29,016	28,895	208	(4,080)	25,023	3,993	2,069

*Adjustments to prior year accruals

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

8. Contractual obligations and commitments

Payments of grants and scholarships extending into future years are subject to the provision of funds by Parliament.

The nature of NSERC's operating activities can result in some large multi-year contracts and obligations whereby NSERC will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2022	2023	2024	2025	2026 and subsequent	Total
Grants & Scholarships	963,086	592,744	358,776	183,292	114,015	2,211,913
Operating	6,155	115	86	85	5	6,446
Total	969,241	592,859	358,862	183,377	114,020	2,218,359

9. Related party transactions

NSERC is related as a result of common ownership to all government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

NSERC enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, NSERC received common services that were obtained without charge by other government departments as disclosed below.

a) Services provided without charge by other government departments

During the year, NSERC received services without charge from certain common service organizations related to accommodations, and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in NSERC's Statement of Operations and Departmental Net Financial Position as follows:

(in thousands of dollars)

	2022	2021
Accommodation	2,443	4,087
Employer's contribution to the health and dental insurance plans	4,868	3,701
Total	7,311	7,788

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada are not included in NSERC's Statement of Operations and Departmental Net Financial Position.

b) Administration of programs on behalf of other government departments

NSERC administers funds received from other government departments and agencies to issue grants, scholarships and related payments on their behalf. During the year, NSERC administered \$119,358 (\$584,753 in 2020-21) in funds for grants and scholarships. These expenses are reflected in the financial statements of the departments or agencies that provided the funds and are not recorded in these financial statements.

NSERC also recovers administrative fees in some circumstances where a significant administrative burden is incurred by NSERC for the administration of certain funds on behalf of other government departments and agencies. These amounted to \$nil during the year (\$5,566 in 2020-21) and were netted against NSERC's operating expenses.

c) Other transfers of assets from other government departments

During 2021-2022 NSERC received a transfer of a receivable nature for transactions related to salary overpayments, from other government departments, within the scope of Phoenix interdepartmental adjustments. These overpayments are recovered in the context of the Agencies' established salary payment process.

Natural Sciences and Engineering Research Council
Notes to the Financial Statements (unaudited)
For the Year Ended March 31

10. Segmented Information

Presentation by segment is based on NSERC's Departmental Results Framework. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred for the main programs, by major object of expenses and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)

	Funding Natural Sciences and Engineering Research and Training	Internal Services	2022 Total	2021 Total
Transfer payments				
Grants & scholarships	1,335,028	-	1,335,028	1,423,247
Operating expenses				
Salaries and employee benefits	45,750	19,781	65,531	52,942
Accommodation and rentals	177	3,267	3,444	4,978
Professional and special services	2,048	2,848	4,896	7,230
Transportation and communications	192	534	726	444
Amortization	-	1,279	1,279	1,339
Information	119	742	861	878
Utilities, materials and supplies	5	40	45	78
Acquisition of machinery and equipment	222	821	1,043	640
Repair and maintenance	15	60	75	103
Other	-	-	-	-
Total operating expenses	48,528	29,372	77,900	68,632
Total expenses	1,383,556	29,372	1,412,928	1,491,879
Revenues				
Miscellaneous revenues	-	185	185	133
Total revenues	-	185	185	133
Net cost of operations before government funding and transfers	1,383,556	29,187	1,412,743	1,491,746