Canadian Space Agency Agence spatiale canadienne

Canadian Space Agency

2026-2027

Quarterly Financial Report

For the Quarter Ended

June 30, 2026

Management Statement
for the Quarter Ended June 30, 2026

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1. Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration* Act, and in the form and manner prescribed by the Treasury Board. It has not been subject to an external audit or review, but has been reviewed by members of the Canadian Space Agency's (CSA) Audit Committee, who are satisfied with its presentation and content. This quarterly report should be read in conjunction with the 2026–27 Main Estimates[1].

1.1 Mandate and Program Activities

The CSA mandate is *to promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technologies provide social and economic benefits for Canadians.*

More information is available on the CSA's mandate and on the departmental results framework in the latest Departmental Plan[1].

[1] *The financial data presented as planned expenditures in the Main Estimates (ME) and the Departmental Plan may differ from the authorities available presented in this Quarterly Financial Report (QFR). The Departmental Plan data includes estimated adjustments to the ME for the entire year, whereas the QFR presents only the authorities granted to this date through the Estimates process (i.e. the ME).*

1.2 Basis of Presentation

This quarterly financial report (QFR) has been prepared using an expenditure basis of accounting. The Statement of Authorities annexed to this report includes the CSA's spending authorities granted by Parliament and those used by the CSA, consistent with the Main Estimates and Supplementary estimates (if applicable) for the current financial year. This QFR has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

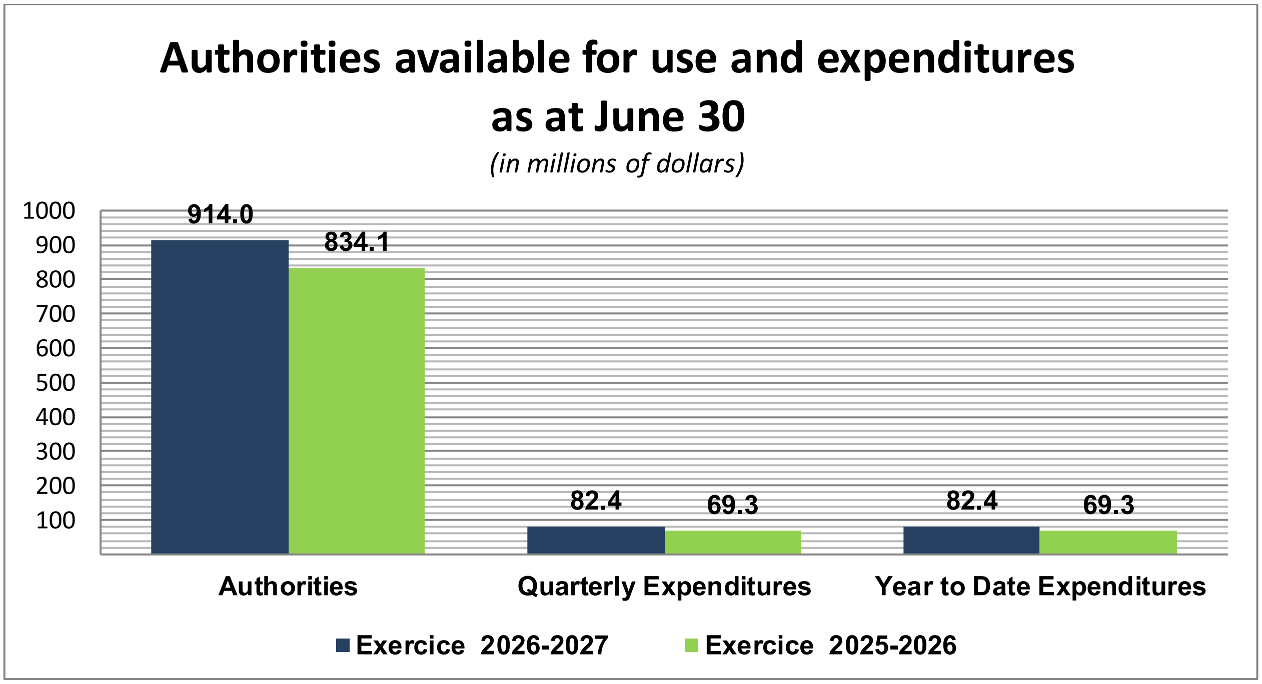
The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

The CSA uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis, which is a partial accrual method of accounting. The partial accrual method of accounting includes disbursements as well as some accruals for salaries and salary allowances.

2. Highlights of the Quarterly Financial Results

This section highlights the significant elements that contributed to the changes to the authorities available for the fiscal year, as well as to the quarterly and year-to-date expenditures for the quarter ended June 30, 2026.

The following graph provides an overview of the variations in the available authorities and the expenditures. Additional details on these variations are provided in sections 2.1 and 2.2 as well as in the appended annexes.



Totals may not add up with the Annexes due to rounding.

2.1 Significant Changes in the Authorities (Total Votes Available for Use) between fiscal years 2026-2027 and 2025-2026

The total vote available for use as at June 30, 2026, is $914 million, which represents an increase of $80 million compared to the same period in the previous year (10%).

Authorities *(in thousands of dollars)*	**2026-2027**	**2025-2026**	**Variance**	**%**
Vote 1 - Operating expenditures	312 871	282 745	30 126	11%
Vote 5 - Capital expenditures	520 371	466 960	53 411	11%
Vote 10 - Grants and contributions	60 981	67 018	(6 037)	(9%)
Contributions to employee benefit plans	19 715	17 358	2 357	14%
Proceeds from disposal of surplus Crown assets	86	50	36	72%
Total budgetary authorities	**914 024**	**834 131**	**79 893**	**10%**

Authorizations related to Vote 1 (operating expenditures)

At June 30, 2026, authorizations totalled $312.9 million, compared with $282.7 million at June 30, 2025, an increase of $30 million (11%).

The increase is mainly explained by the following items:

- An increase of $25.4 million for activities related to the successor to the RADARSAT Constellation Mission.
- An increase of $16.9 million for activities related to the Lunar Exploration Acceleration Program (LEAP) - Lunar Utility Vehicle project.
- An increase of $15.8 million for activities related to the RADARSAT Constellation Mission (RCM).
- A decrease of $3.1 million for activities related to the project Mission High-Altitude Aerosols, Water vapor and Clouds (HAWC) - Thin Ice Clouds and Far InfraRed Emissions (TICFIRE).
- A decrease of $6.4 million dollars in the CSA's contribution funding following the comprehensive spending review announced in the 2025 Budget.
- A decrease of $10.7 million for activities related to the International Space Station (ISS) project.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

Authorizations related to Vote 5 (capital expenditures)

At June 30, 2026, authorizations totalled $520.4 million, compared with $467 million at June 30, 2025, an increase of $53.4 million (11%).

The increase is mainly explained by the following items:

- An increase of $38.2 million in activities related to the Canadarm 3 project.
- An increase of $19.8 million in activities related to the Canadian Operational Mission (COM) – WildFire Sat (WFS)
- A decrease of $9.9 million for activities related to the Lunar Exploration Acceleration Program (LEAP) - Canadian Lunar Rover Mission project.
- A decrease of $10.6 million in activities related to Gateway Station External Robotic Interfaces (GERI).

- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

Authorizations related to Vote 10 (grants and contributions)

At June 30, 2026, authorizations totalled $61 million, compared with $67 million at June 30, 2025, a decrease of $6 million (-9%).

The decrease is mainly explained by the following items:

- An increase of $2.3 million for the contribution program under the Cooperation Agreement between Canada and the European Space Agency (ESA).
- A decrease of $3.8 million in the overall grants and contributions program to support research, awareness and education in space science and technology, as CSA's contribution to the government's refocusing exercise.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

2.2 Significant Changes in the Quarterly and Year-to-Date Expenditures (Votes Used) between fiscal years 2026-2027 and 2025-2026

Cumulative expenditures as at June 30, 2026, are $82.4 million and represent a cumulative increase of $13.1 million over the same period last year.

Expenditures by Vote as of June 30

Expenditures by Vote *(in thousands of dollars)*	2026-2027		2025-2026		Variance	
	Quarterly	Year to date	Quarterly	Year to date	Quarterly	Year to date
Vote 1 - Operating expenditures	42 072	42 072	33 919	33 919	8153	8 153
Vote 5 - Capital expenditures	24 951	24 951	18 052	18 052	6 899	6 899
Vote 10 - Grants and contributions	10 431	10 431	12 988	12 988	(2 557)	(2 557)
Contributions to employee benefit plans	4 929	4 929	4 340	4 340	589	589
Spending of proceeds from disposal of surplus Crown assets	-	-	-	-	-	-
Total budgetary expenditures by Vote	**82 383**	**82 383**	**69 299**	**69 299**	**13 084**	**13 084**

Expenditures related to Vote 1 (operating expenditures)

The increase of $8.2 million in quarterly expenses (24%) is mainly explained by changes in the payment schedule for the Canadian International Space Station (ISS) program.

Expenditures related to Vote 5 (capital expenditures)

The increase of $6.9 million in quarterly expenses (38%) is mainly explained by variations in the payment schedule for the Canadarm3 project and the external robotic interfaces of the Gateway station (GERI).

Expenditures related to Vote 10 (grants and contributions)

The decrease of $2.6 million in quarterly expenses (-20%) is mainly explained by variations in the payment schedule to the European Space Agency (ESA).

Expenditures by Standard Object as of June 30

Expenditures by Standard Object *(in thousands of dollars)*	**2026-2027**		**2025-2026**		**Variance**	
	Quarterly	**Year to date**	**Quarterly**	**Year to date**	**Quarterly**	**Year to date**
Personnel	31 374	31 374	27 653	27 653	3 721	3 721
Transportation and communications	1 094	1 094	775	775	319	319
Information	244	244	67	67	177	177
Professional and special services	36 582	36 582	26 088	26 088	10 494	10 494
Rentals	619	619	914	914	(295)	(295)
Repair and maintenance	768	768	144	144	624	624
Utilities, materials and supplies	353	353	337	337	16	16
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	918	918	316	316	602	602
Transfer payments	10 430	10 430	12 988	12 988	(2 558)	(2 558)
Other subsidies and payments	1	1	17	17	(16)	(16)
Total budgetary expenditures by Standard Object	**82 383**	**82 383**	**69 299**	**69 299**	**13 084**	**13 084**

Total CSA expenses reported in the 1st quarter of 2026-2027 amounted to $82.4 million, compared with $69.3 million for the same period last year. This represents an increase of $13.1 million (19%) on the previous year.

Significant variances, by standard object, are as follows:

Personnel

The increase of $3.7 million in quarterly expenses (13%) is mainly explained by the rise in CSA staffing to support the space exploration program.

Professional and special services

The increase of $10.5 million in quarterly expenses (40%) is mainly explained by variations in the payment schedule for the Canadarm3 project and the external robotic interfaces of the Gateway station (GERI).

Transfer payments

The decrease of $2.6 million in quarterly expenses (-20%) is mainly explained by variations in the payment schedule to the European Space Agency (ESA).

3. Risks and Uncertainties

The CSA operates in an ever-changing environment. The specific nature of the Canadian Space Program (CSP) exposes the CSA to challenges related to the development of advanced technologies as well as the international dimension of certain projects. For Canada, space activities must be carried out in partnership with other space-faring nations, using innovative technologies. The international nature and technical challenges associated with developing and implementing innovative technologies, in collaboration with multiple partners, generate risks in project delivery. Likewise, the possibility of service interruptions or unauthorized disclosure of information resulting from a cybersecurity incident poses an additional risk to CSA operations. These factors translate into financial risks associated with the use of funds, such as the carry-forward of funds and increased costs.

Risks also arise from the Canada / ESA Cooperation Agreement, such as amounts payable that vary according to changes in gross national product (GNP) statistics, fluctuations in the Canadian dollar relative to the euro (exchange rate), inflation, and the application of ESA's industrial policy. These risks affect both costs and the cash-flow profile.

To mitigate these risks, the CSA regularly reviews its project portfolio, activity plans, timelines, and financial management strategies in order to adapt to changes made to the space programs of its key partners (National Aeronautics and Space Administration (NASA), ESA and other space agencies). In addition, rigorous project-management practices are in place, along with measures to mitigate cybersecurity risk. These initiatives enable the CSA to monitor and report on the progress of its commitments, assess the effectiveness of its work, and align its resources with priorities.

Additionally, to strengthen the measures already in place, the CSA relies on a structured risk-management framework, including interdisciplinary consultations during cost estimation, rigorous monitoring through monthly dashboards, a formal risk register, and a stringent financial attestation process. These mechanisms enable early detection of variances, rapid adaptation to unforeseen events, and improved financial predictability despite the challenges related to inflation, the scarcity of specialized suppliers, the immaturity of certain technologies, and adjustments imposed by international partners.

4. Significant Changes in Relation to Operations, Personnel and Programs

There were no significant changes to operations, staffing, or programs during the first quarter of 2026–2027.

Approval by Senior Officials

Approved by,

The original version was signed by
Jean-Claude Piedboeuf on August 21, 2026

Jean-Claude Piedboeuf Date
Acting President
Longueuil, Quebec

The original version was signed by
Jennifer Fisher on August 17, 2026

Jennifer Fisher Date
Acting Vice President, Corporate Strategy and Innovation and Chief Financial Officer
Longueuil, Quebec

CANADIAN SPACE AGENCY

Annex 1

Quarterly Financial Report

For the quarter ended June 30, 2026

Statement of Authorities (unaudited)

(in thousands of dollars)

	Fiscal Year 2026-2027			Fiscal Year 2025-2026		
	Total available for use for the year ending March 31, 2027 (2)	Used during the quarter ended June 30, 2026	Year to date used at quarter-end	Total available for use for the year ending March 31, 2026 (2)	Used during the quarter ended June 30, 2025	Year to date used at quarter-end
	$	**$**	**$**	**$**	**$**	**$**
Vote 1: Operating expenditures	312 871	42 072	42 072	282 745	33 919	33 919
Vote 5: Capital expenditures	520 371	24 951	24 951	466 960	18 052	18 052
Vote 10: Grants and contributions	60 981	10 431	10 431	67 018	12 988	12 988
Contributions to employee benefit plans	19 715	4 929	4 929	17 358	4 340	4 340
Spending of proceeds from the disposal of surplus Crown assets	86	-	-	50	-	-
Total budgetary authorities	**914 024**	**82 383**	**82 383**	**834 131**	**69 299**	**69 299**

(2) Includes only Authorities available for use and granted by Parliament at quarter-end.

CANADIAN SPACE AGENCY Annex 2

Quarterly Financial Report

For the quarter ended June 30, 2026

Departmental budgetary expenditures by Standard Object (unaudited)

(in thousands of dollars)

	Fiscal Year 2026-2027			Fiscal Year 2025-2026		
	Total available for use for the year ending March 31, 2027 (2)	Used during the quarter ended June 30, 2026	Year to date used at quarter-end	Total available for use for the year ending March 31, 2026 (2)	Used during the quarter ended June 30, 2025	Year to date used at quarter-end
Expenditures:	**$**	**$**	**$**	**$**	**$**	**$**
Personnel	139 928	31 374	31 374	130 811	27 653	27 653
Transportation and communications	8 304	1 094	1 094	8 311	775	775
Information	642	244	244	1 242	67	67
Professional and special services	504 169	36 582	36 582	612 297	26 088	26 088
Rentals	7 802	619	619	3 870	914	914
Repair and maintenance	3 851	768	768	3 209	144	144
Utilities, materials and supplies	1 219	353	353	1 629	337	337
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	184 348	918	918	3 067	316	316
Transfer payments	60 981	10 430	10 430	67 018	12 988	12 988
Other subsidies and payments	2 780	1	1	2 677	17	17
Total budgetary expenditures	**914 024**	**82 383**	**82 383**	**834 131**	**69 299**	**69 299**

(2) Includes only Authorities available for use and granted by Parliament at quarter-end.