



Polar Knowledge
Canada

Savoir polaire
Canada

Polar Knowledge Canada

2024-25

**Quarterly Financial Report
For the Quarter Ended
June 30, 2024**

Canada^{ca}

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 quarterly financial report should be read in conjunction with the [2024-25 Main Estimates](#). This quarterly financial report has not been subject to an external audit or review.

Polar Knowledge Canada was created pursuant to the [Canadian High Arctic Research Station Act](#) which came into force on June 1, 2015. Polar Knowledge Canada's mandate is to:

- Advance the knowledge of the Canadian Arctic to improve economic opportunities, environmental stewardship, and the quality of life of its residents and all other Canadians;
- Promote the development and dissemination of knowledge of the other circumpolar regions, including the Antarctic;
- Strengthen Canada's leadership on Arctic issues; and
- Establish a hub for scientific research in the Canadian Arctic.

Further information on the mandate, roles, responsibilities, and programs of Polar Knowledge Canada can be found by accessing the [2024-25 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 Agency's spending authorities granted by Parliament and those used by the Agency consistent with the Main Estimates for the 2024-25 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.

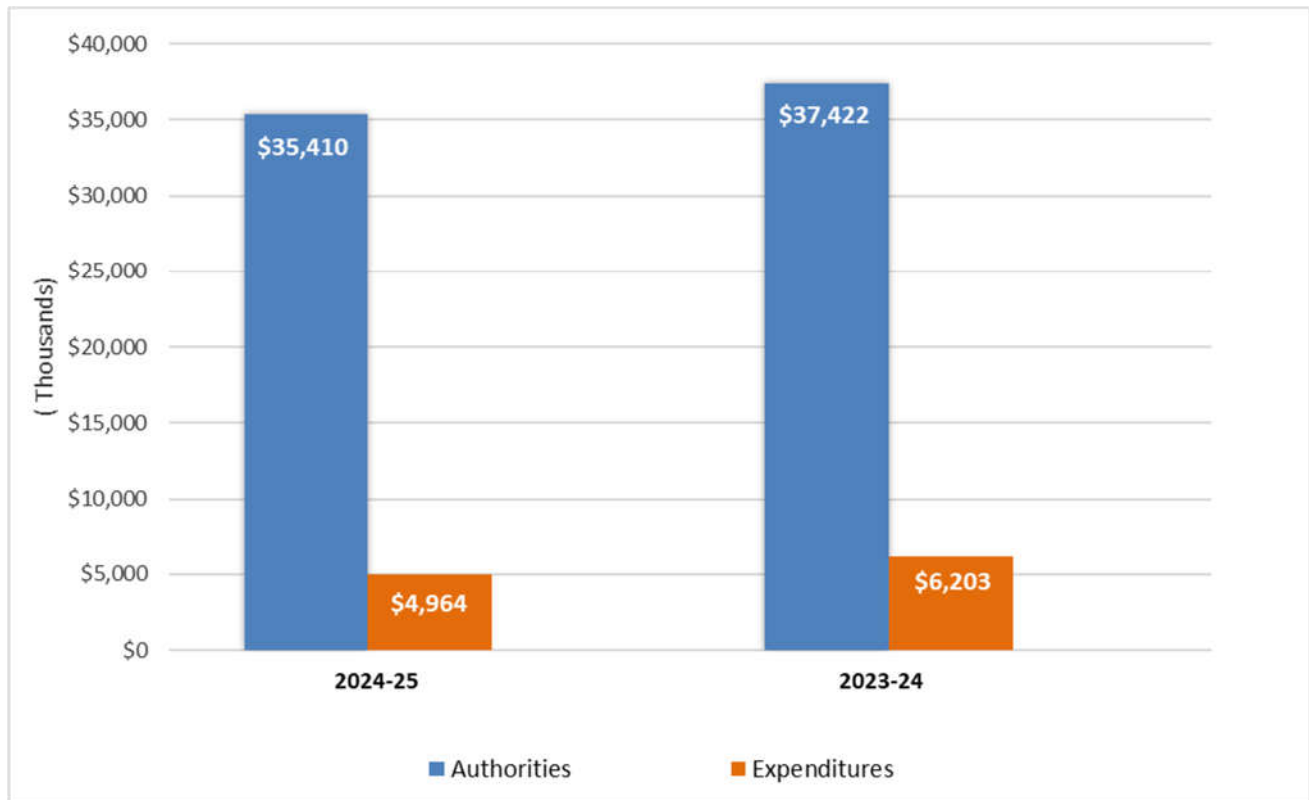
The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

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

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

The following graph provides a comparison of the total budgetary authorities and year-to-date expenditures for the first quarter of the current and previous fiscal years for Polar Knowledge Canada's combined operating and statutory authorities.

Graph 1: Comparison of budgetary authorities and expenditures for the first quarter ended June 30, 2024, and June 30, 2023.



Significant Changes to Authorities

As reflected in the [Statement of Authorities](#) (Annex 1), for the period ending June 30, 2024, the total budgetary authorities available for use decreased by \$2.01 million (5.38%) for the current fiscal year compared to the same period of the prior year. This decrease is mainly due to the incremental funding received in early 2023-24 related to the transfer of the administration of the Canadian High Arctic Research Station and other related federal real property from the Minister of Northern Affairs to Polar Knowledge Canada announced in Budget 2022.

Significant Changes to Year-to-Date Expenditures

As reflected in the [Departmental budgetary expenditures by Standard Object](#) (Annex 2), at the end of the first quarter of 2024-25, total expenditures were \$4.96 million, compared to \$6.20 million reported in the same period in 2023-24. The decrease of \$1.24 million (19.97%) is mainly due to the timing of approval and payments.

Risks and Uncertainties

Polar Knowledge Canada operates in a complex and dynamic environment where various risks can impact its ability to carry out polar science and knowledge activities effectively. These risks span different areas, including operational, and relationship and reputational. In this context, Polar Knowledge Canada has implemented innovative approaches and strategies to mitigate these risks and ensure the successful implementation of its initiatives and activities.

Operational risks - Polar Knowledge Canada faces operational risks that may impact its ability to carry out activities effectively. These operational risks include lack of housing availability, staffing qualified personnel in remote communities, procurement challenges, and remoteness.

Polar Knowledge Canada has mitigated these operational risks by exploring alternative housing options, implementing personnel retention strategies, by fostering partnerships, and by seeking additional baseline funding to support the operational realities of Arctic operations.

Relationships and Reputational risks - Much of Polar Knowledge Canada's operations and planned activities rely on collaboration and partnerships with other federal organizations, northern and Indigenous organizations and communities, and academia. Polar Knowledge Canada may be unable to complete planned activities with these partners due to internal capacity challenges or dependency on inputs from other organizations. In addition, after taking over the custodianship of the Canadian High Arctic Research Station, Polar Knowledge Canada may be unable to fully operationalize the research station without adequate long-term funding. Important partners and stakeholders, particularly Indigenous organizations and communities, may perceive delays as unfulfilled commitments.

Polar Knowledge Canada has mitigated these operational, relationships, and reputational risks by:

- involving and supporting community participation early, and in every stage of projects;
- ensuring northern Engagement Initiatives;
- using memoranda of understanding to communicate commitments with Indigenous partners and taking meaningful action to implement these commitments;
- developing a multi-year Real Property Strategy and defining and seeking long-term baseline funding to fully operationalize the Canadian High Arctic Research Station's infrastructure; and
- addressing internal capacity challenges through timely recruitment including the ongoing implementation of its Inuit Employment Plan to attract, develop and retain personnel.

Significant Changes in Relation to Operations, Personnel and Programs

During the first quarter of 2024-25, there were no significant changes in relation to operations, personnel, and programs.

Approval by Senior Officials

The original version was approved and signed by

- Suzanne Kerr, CPA, CGA
Acting President & Chief Executive Officer
Ottawa, Canada
August 27, 2024
- Christine Robinson, CPA, CMA
Acting Executive Director, Corporate Services &
Chief Financial Officer
Ottawa, Canada
August 27, 2024

Statement of Authorities (unaudited)

<i>(In thousands of dollars)</i>	<i>Fiscal year 2024-25</i>			<i>Fiscal year 2023-24</i>		
	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	Total available for use for the year ending March 31, 2024	Used during the quarter ended June 30, 2023	Year to date used at quarter end
	Vote 1 - Net operating expenditures	33,007	4,964	4,964	34,839	5,757
Budgetary statutory authorities	2,403	-	-	2,583	446	446
Total Budgetary authorities	35,410	4,964	4,964	37,422	6,203	6,203

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

Departmental budgetary expenditures by Standard Object (unaudited)

	<i>Fiscal year 2024-25</i>			<i>Fiscal year 2023-24</i>		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year to date used at quarter end
Expenditures						
Personnel	13,783	2,842	2,842	13,828	2,953	2,953
Transportation and communications	2,100	424	424	3,128	335	335
Information	438	-	-	458	-	-
Professional and special services	2,729	209	209	3,530	322	322
Rentals	1,566	315	315	1,727	334	334
Repair and maintenance	3,366	505	505	3,848	536	536
Utilities, materials and supplies	2,150	175	175	2,430	36	36
Acquisition of machinery and equipment	1,448	-	-	644	23	23
Transfer payments	7,796	375	375	7,796	1,661	1,661
Other subsidies and payments	34	119	119	33	3	3
Total Budgetary expenditures	35,410	4,964	4,964	37,422	6,203	6,203