



Polar Knowledge
Canada

Savoir polaire
Canada

Polar Knowledge Canada

2023-24

Quarterly Financial Report

For the Quarter Ended

December 31, 2023

Canada

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 [2023-24 Main Estimates](#), [Supplementary Estimates \(A\), 2023-24](#) and [Supplementary Estimates \(B\), 2023-24](#). This quarterly financial report has not been subject to an external audit or review.

Polar Knowledge Canada (POLAR) was created pursuant to the [Canadian High Arctic Research Station Act](#) which came into force on June 1, 2015. POLAR'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 can be found by accessing the [2023-24 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 POLAR's spending authorities granted by Parliament and those used by POLAR, consistent with the Main Estimates and Supplementary Estimates for the 2023-24 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.

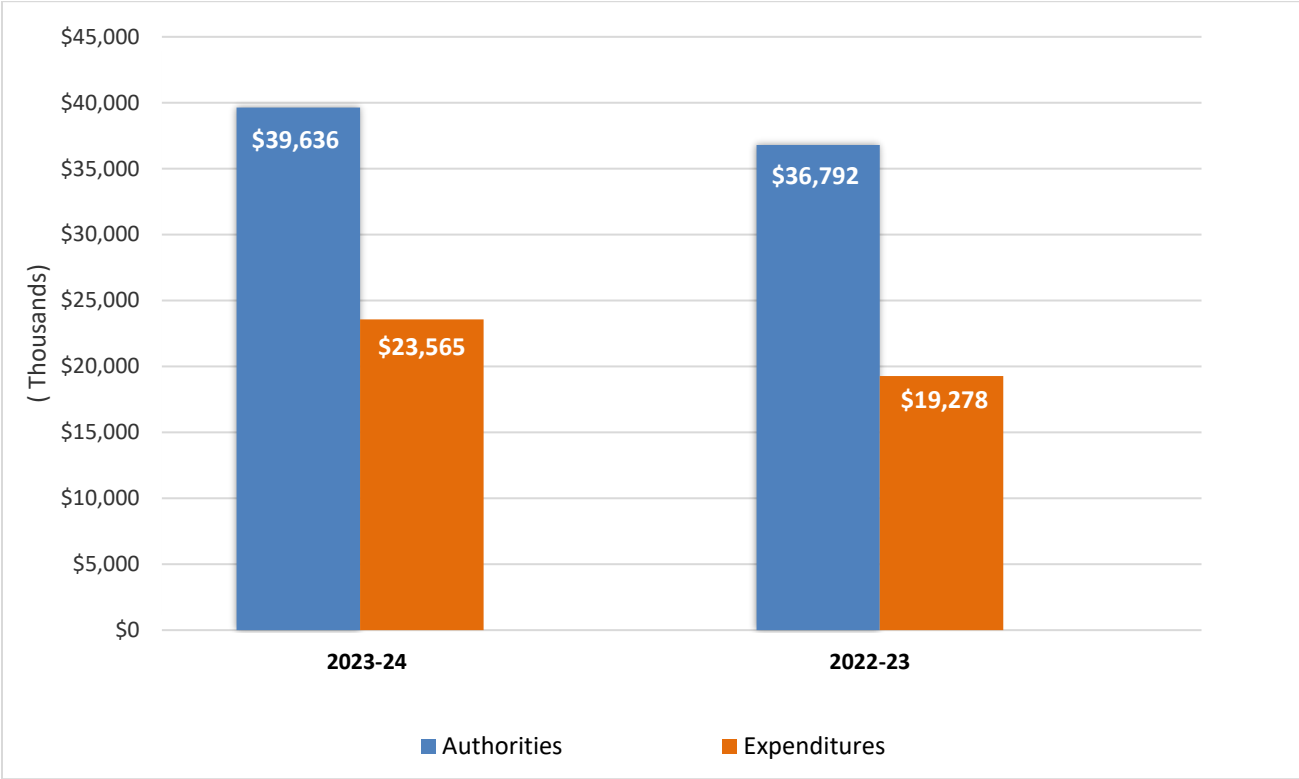
The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

POLAR 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 third quarter of the current and previous fiscal years for POLAR's combined operating and statutory authorities.

Graph 1: Comparison of budgetary authorities and expenditures for the third quarter ended December 31, 2023, and December 31, 2022.



Significant Changes to Authorities

As reflected in the [Statement of Authorities](#) (Annex 1), for the period ending December 31, 2023, the total budgetary authorities available for use increased by \$2.84 million (7.73%) for the current fiscal year compared to the same period of the prior year. This increase is mainly due to the incremental funding announced in Budget 2022 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.

Significant Changes to Year-to-Date Expenditures

As reflected in the [Departmental budgetary expenditures by Standard Object](#) (Annex 2), at the end of the third quarter of 2023-24, total expenditures were \$23.57 million, compared to \$19.28 million reported in the same period in 2022-23.

Risks and Uncertainties

POLAR 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 has implemented innovative approaches and strategies to mitigate these risks and ensure the successful implementation of its initiatives and activities.

Operational risks - POLAR 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 has put in place strategies to mitigate 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's operations and planned activities rely on collaboration and partnerships with other federal organizations, northern and Indigenous organizations and communities, and academia. POLAR may be unable to complete planned activities with these partners due to capacity challenges or dependency on inputs from other organizations. In addition, after taking over the custodianship of the Canadian High Arctic Research Station, POLAR 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 has mitigated these 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 third quarter of 2023-24, there were no significant changes in relation to operations, personnel, and programs.

Approval by Senior Officials

The original version was approved and signed by,

- Jennifer C. Hubbard
President & Chief Executive Officer
Ottawa, Canada

- Suzanne Kerr, CPA, CGA
Executive Director, Corporate Services &
Chief Financial Officer
Ottawa, Canada

Statement of Authorities (unaudited)

<i>(In thousands of dollars)</i>	<i>Fiscal year 2023-24</i>			<i>Fiscal year 2022-23</i>		
	Total available for use for the year ending March 31, 2024 *	Used during the quarter ended December 31, 2023	Year to date used at quarter end	Total available for use for the year ending March 31, 2023	Used during the quarter ended December 31, 2022	Year to date used at quarter end
Vote 1 - Net operating expenditures	37,053	6,411	22,228	34,313	6,619	17,966
Budgetary statutory authorities	2,583	446	1,337	2,479	438	1,312
Total Budgetary authorities	39,636	6,857	23,565	36,792	7,057	19,278

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

Departmental budgetary expenditures by Standard Object (unaudited)

	Fiscal year 2023-24			Fiscal year 2022-23		
	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended December 31, 2023	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year to date used at quarter end
Expenditures:						
Personnel	13,991	2,989	8,929	13,724	3,220	8,286
Transportation and communications	2,430	425	1,734	2,397	548	1,542
Information	356	8	24	114	59	69
Professional and special services	2,742	713	2,319	5,279	920	1,380
Rentals	2,411	401	1,052	1,717	272	708
Repair and maintenance	4,558	1,077	2,233	2,521	914	2,027
Utilities, materials and supplies	2,796	478	1,138	1,460	266	849
Acquisition of machinery and equipment	2,523	91	701	1,729	53	227
Transfer payments	7,796	675	5,424	7,796	796	4,175
Other subsidies and payments	33	0	11	55	9	15
Total Budgetary expenditures	39,636	6,857	23,565	36,792	7,057	19,278