Polar Knowledge Canada Savoir polaire Canada

Polar Knowledge Canada

2026-27

Quarterly Financial Report

For the Quarter Ended

June 30, 2026

Canada

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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 2026-27 Main Estimates and 2026-27 Supplementary Estimates (A). 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 2026-27 Department 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 and Supplementary Estimates for the 2026-27 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.

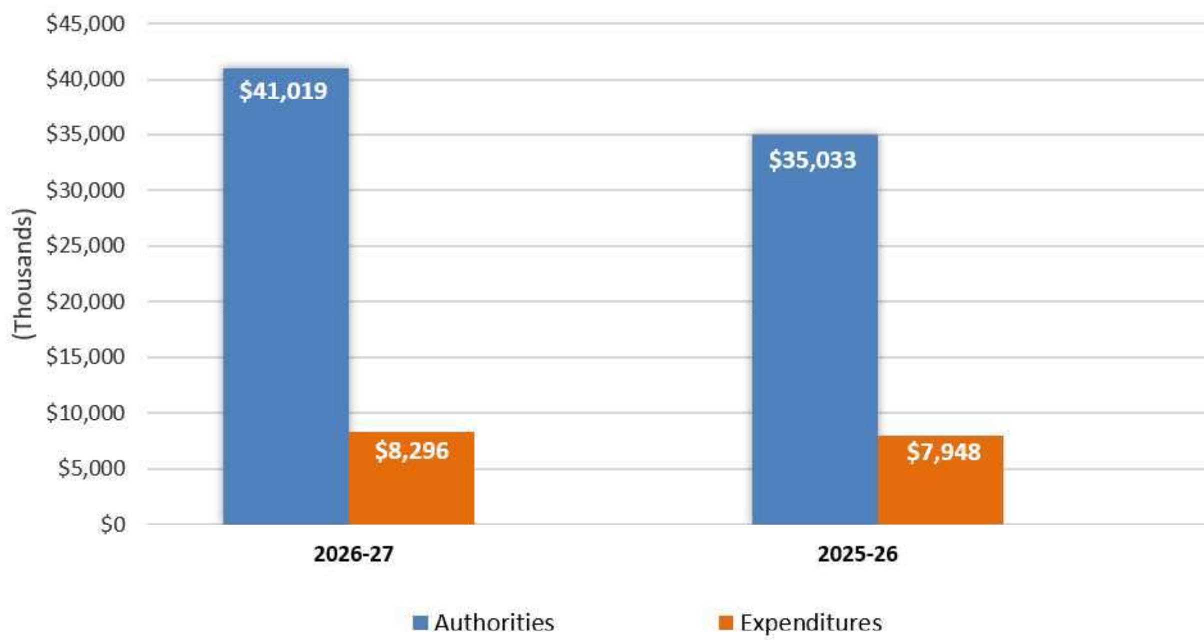
The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

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 voted and statutory authorities.

Graph 1: Comparison of budgetary authorities and expenditures for the first quarter ended June 30, 2026, and June 30, 2025.



Significant Changes to Authorities

As reflected in the [Statement of Authorities] (Annex 1), for the period ending June 30, 2026, the total budgetary authorities available for use increased by $5.99 million (17.1%) for the current fiscal year compared to the same period of the prior year. The increase is mainly due to the approval of program integrity funding received through the 2026-27 Supplementary Estimates (A).

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 2026-27, total expenditures were $8.30 million, compared to $7.95 million reported in the same period in 2025-26. This represents a modest increase of $0.35 million (4.4%).

Risks and Uncertainties

Polar Knowledge Canada operates in a complex and dynamic environment where several risks could impact its ability to carry out polar science and knowledge activities effectively. The continued success of Polar Knowledge Canada's operations depends on three key factors:

- **Funding**: Securing stable, ongoing funding for 2026–27 and beyond is critical to aligning Polar Knowledge Canada's resources with its core mandate and sustaining core operations. Uncertainty in future funding could affect the agency's ability to achieve strategic objectives, maintain operations, and execute key projects, reducing Canada's capacity to monitor rapid Arctic change and support northern communities.
- **Talent recruitment and retention**: Attracting new talent and retaining personnel in the North, who have the necessary competencies for scientific research, technology development, technical support, and internal agency functions remains a challenge, particularly in the North. Persistent staffing gaps could affect Polar Knowledge Canada's ability to deliver planned activities and maintain operational continuity.
- **Logistics**: Procuring materials and meeting critical logistical timeframes, such as sealift operations, can affect project delivery and operational continuity. Delays or disruptions could impede field activities, research timelines, and infrastructure support.

Should Polar Knowledge Canada be unable to complete planned activities due to a lack of resources or input from a contributing partner, the agency could be perceived as not fulfilling its commitments. There is a risk that this would damage Polar Knowledge Canada's reputation resulting in the potential loss of integral partnerships and collaboration opportunities. Polar Knowledge Canada will mitigate these risks by:

- Engaging early with the Treasury Board and stakeholders to clearly communicate funding requirements, provide robust justification for continued support, and explore alternative funding sources or partnerships to reduce dependency on government funding;
- Involving and supporting community participation early, and in every stage of projects that impact them;
- Communicating Polar Knowledge Canada's commitments under memoranda of understanding with Indigenous partners, and taking meaningful action to implement these commitments; and
- Addressing internal capacity challenges through timely recruitment, continued implementation and expansion of the Inuit Employment Plan to attract and increasing training and hiring of Indigenous Peoples and Northerners.
- Enhancing procurement planning processes and readiness to support timely project delivery, including focused staff training and continued exploration of efficiencies.

Significant Changes in Relation to Operations, Personnel and Programs

During the first quarter of 2026-27, there were no significant changes in relation to operations, personnel and programs.

Approval by Senior Officials

Approved by

Kerr, Suzanne Digitally signed by Kerr, Suzanne
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Christine Robinson, CPA, CMA
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Annex 1

Statement of Authorities (unaudited)

(In thousands of dollars)	*Fiscal year 2026-27*			*Fiscal year 2025-26*		
	Total available for use for the year ending March 31, 2027*	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	Used during the quarter ended June 30, 2025	Year to date used at quarter end
Vote 1 - Net operating expenditures	**38,189**	**7,772**	**7,772**	32,370	7,465	7,465
Budgetary Statutory Authorities	**2,830**	**524**	**524**	2,663	483	483
Total Budgetary Authorities	**41,019**	**8,296**	**8,296**	35,033	7,948	7,948

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

Annex 2

Departmental budgetary expenditures by Standard Object ***(unaudited)***

	Fiscal year 2026-27			*Fiscal year 2025-26*		
	Planned expenditures for the year ending March 31, 2027	Expended during the quarter ended June 30, 2026	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter end
Expenditures						
Personnel	**14,892**	**3,159**	**3,159**	14,555	3,289	3,289
Transportation and communications	**1,839**	**402**	**402**	1,210	494	494
Information	**1,021**	**19**	**19**	1,247	14	14
Professional and special services	**4,774**	**456**	**456**	3,582	414	414
Rentals	**1,516**	**440**	**440**	1,572	308	308
Repair and maintenance	**5,685**	**606**	**606**	3,398	582	582
Utilities, materials and supplies	**2,418**	**170**	**170**	1,603	223	223
Acquisition of machinery and equipment	**1,000**	**254**	**254**	-	13	13
Transfer payments	**7,796**	**2,736**	**2,736**	7,796	2,612	2,612
Other subsidies and payments	**78**	**54**	**54**	70	(1)	(1)
Total Budgetary expenditures	**41,019**	**8,296**	**8,296**	35,033	7,948	7,948