

Financial Statements of

**PRIMECORP - POLICE RECORDS INFORMATION
MANAGEMENT ENVIRONMENT INCORPORATED**

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Directors of PRIMECORP - Police Records Information
Management Environment Incorporated

Opinion

We have audited the financial statements of PRIMECORP - Police Records Information Management Environment Incorporated (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025;
- the statement of operations for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 18, 2025

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Statement of Financial Position

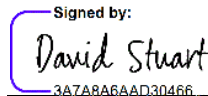
March 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash	\$ 5,449,300	\$ 6,351,170
Accounts receivable	679,300	1,082,225
	<u>6,128,600</u>	<u>7,433,395</u>
Liabilities:		
Accounts payable and accrued liabilities (note 5)	<u>1,522,305</u>	<u>1,906,344</u>
Net financial assets	4,606,295	5,527,051
Non-financial assets:		
Tangible capital assets (note 4)	2,498,528	1,646,590
Prepaid expenses	<u>2,174,132</u>	<u>1,415,956</u>
	4,672,660	3,062,546
Accumulated surplus	<u>\$ 9,278,955</u>	<u>\$ 8,589,597</u>

Commitments (note 6)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Signed by:

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Signed by:

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PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	Budget (note 9)	2025	2024
Revenue:			
User service fees	\$ 15,859,290	\$ 15,732,663	\$ 14,551,376
DEMS - authorized user fees	-	1,895,701	1,372,801
Road Safety Initiative project	469,600	469,600	447,090
Sales of computer hardware and software licenses	-	327,135	357,892
Interest	329,000	316,908	371,511
Miscellaneous	-	27,856	48,657
	16,657,890	18,769,863	17,149,327
Expenses (note 2(f)):			
Salaries and benefits	8,866,520	8,549,567	7,853,785
Maintenance and technology	5,418,750	5,248,086	4,797,306
DEMS - authorized user fees costs	-	1,895,701	1,372,801
Amortization of tangible capital assets	680,290	748,102	690,983
Premises	665,870	584,929	656,657
Office supplies and communication	429,190	327,615	358,828
Computer hardware and software licenses, cost of sales	-	327,135	357,892
Professional fees	291,760	216,581	290,957
Employee related	178,730	150,011	183,378
Other	36,580	32,778	43,432
	16,567,690	18,080,505	16,606,019
Annual surplus	90,200	689,358	543,308
Accumulated surplus, beginning of year	8,589,597	8,589,597	8,046,289
Accumulated surplus, end of year	\$ 8,679,797	\$ 9,278,955	\$ 8,589,597

See accompanying notes to financial statements.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Statement of Changes in Net Financial Assets

Year ended March 31, 2025, with comparative information for 2024

	Budget (note 9)	2025	2024
Annual surplus (deficit)	\$ 90,200	\$ 689,358	\$ 543,308
Acquisition of tangible capital assets	(1,075,190)	(1,600,596)	(405,530)
Amortization of tangible capital assets	680,290	748,102	690,983
Loss (gain) on disposal of equipment	-	556	470
Acquisition of prepaid expenses	-	(7,770,827)	(7,588,778)
Use of prepaid expenses	-	7,012,651	7,395,223
Change in net financial assets	(304,700)	(920,756)	635,676
Net financial assets, beginning of year	5,527,051	5,527,051	4,891,375
Net financial assets, end of year	\$ 5,222,351	\$ 4,606,295	\$ 5,527,051

See accompanying notes to financial statements.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 689,358	\$ 543,308
Item not involving cash:		
Amortization of tangible capital assets	748,102	690,983
Loss (gain) on disposal of equipment	556	470
Changes in non-cash operating working items:		
Accounts receivable	402,925	(763,236)
Prepaid expenses	(758,176)	(193,555)
Accounts payable and accrued liabilities	(384,039)	906,969
Deferred contributions	-	(64,815)
	698,726	1,120,124
Capital:		
Acquisition of tangible capital assets	(1,600,596)	(405,530)
Increase (decrease) in cash	(901,870)	714,594
Cash, beginning of year	6,351,170	5,636,576
Cash, end of year	\$ 5,449,300	\$ 6,351,170

See accompanying notes to financial statements.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements

Year ended March 31, 2025

1. Operations:

PRIMECorp - Police Records Information Management Environment Incorporated (the "Company" or "PRIMECorp") is incorporated under the *Business Corporations Act* (British Columbia). E-Comm Emergency Communications for British Columbia Incorporated ("E-Comm") owns the sole issued and outstanding share of the Company. E-Comm has transferred its voting rights as the sole shareholder to the Province of British Columbia, Ministry of Public Safety and Solicitor General. The Board of Directors is comprised of various members of police agencies, municipal representatives, and an appointee of the Government of the Province of British Columbia.

The mandate of the Company is to ensure that the Records Management System, Computer Aided Dispatch System and Digital Evidence Management System are delivered and consistent in all police agencies in British Columbia. The operational requirements are funded by a user fee system assessed on all police agencies in British Columbia, which is collected and remitted to PRIMECorp. The Company recovers its expenses from the user fees based on the annual budget. The capital requirements are funded by this same user fee as well as grants previously received from the Province of British Columbia, Ministry of Public Safety and Solicitor General (the "Province").

Per current provincial legislation, the Company collects an annual user service fee per sworn officer in the province of British Columbia. The total amount collected varies each year based on the number of sworn officers and the per officer fee rate. The per officer fee is determined annually as part of the Company's budgeting process.

2. Significant accounting policies:

The Company's significant accounting policies are as follows:

(a) Basis of accounting:

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards established by the Canadian Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(b) Revenue recognition:

Contributions restricted for specific types of operations or specific periods are deferred and recognized when the restrictions have been met.

Revenues from transactions with performance obligations including user service fees and other are recognized when (at a point in time) or as (over a period of time) the Company satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Other revenue consists of various computer hardware and software licenses and maintenance which are purchased and resold to participating agencies at cost.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Revenues from transactions without performance obligations are recognized at realizable value when the Company has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(d) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Period
Furniture and fixtures	10 years
Computer hardware and system software	5-7 years
Computer Aided Dispatch ("CAD")	5 years
Records Management System ("RMS")	5 years
Real Time Identification System ("RTID")	5 years
Software licenses	5 years
Leasehold improvements	Over the term of the lease

When events or circumstances indicate that a tangible capital asset no longer has any long term service potential, the net carrying amount is written down to the residual value of the assets.

(e) Measurement uncertainty:

In preparing these financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(f) Segment disclosure and functional presentation of expenses:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Management believes that the Company's activities comprise only one segment and hence no additional disclosure is required. Furthermore, as the operations of the Company are comprised of a single function, delivery of a police records management system, the statement of operations presents expenses by object.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are subsequently reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

The Company does not have any financial instruments that are required or elected to be subsequently recorded at fair value; therefore, all instruments are recorded at amortized cost. As a result, the Company does not have a statement of re-measurement gains and losses.

3. Loan facility:

The Company has a demand revolving loan facility of \$500,000 (2024 - \$500,000) which was not drawn upon at March 31, 2025 (2024 - nil).

4. Tangible capital assets:

2025	Opening balance	Additions	Disposals	Closing balance
Cost:				
Furniture and fixtures	\$ 250,679	\$ 3,357	\$ -	\$ 254,036
Computer hardware and system software	7,563,503	1,597,239	(1,269,394)	7,891,348
CAD	3,409,704	-	-	3,409,704
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,487,319	-	-	2,487,319
Leasehold improvements	402,334	-	-	402,334
Total cost	\$ 22,529,765	\$ 1,600,596	\$ (1,269,394)	\$ 22,860,967
Accumulated amortization:				
Furniture and fixtures	\$ 172,849	\$ 18,052	\$ -	\$ 190,901
Computer hardware and system software	6,017,359	728,880	(1,268,838)	5,477,401
CAD	3,387,088	1,170	-	3,388,258
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,487,319	-	-	2,487,319
Leasehold improvements	402,334	-	-	402,334
Accumulated amortization	\$ 20,883,175	\$ 748,102	\$ (1,268,838)	\$ 20,362,439
Net book value:				
Furniture and fixtures	\$ 77,830	\$ -	\$ -	\$ 63,135
Computer hardware and system software	1,546,144	-	-	2,413,947
CAD	22,616	-	-	21,446
RMS	-	-	-	-
RTID	-	-	-	-
Software licenses	-	-	-	-
Leasehold improvements	-	-	-	-
Net book value	\$ 1,646,590	\$ -	\$ -	\$ 2,498,528

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Tangible capital assets (continued):

2024	Opening balance	Additions	Disposals	Closing balance
Furniture and fixtures	\$ 223,555	\$ 27,124	\$ -	\$ 250,679
Computer hardware and system software	7,408,918	378,406	(223,821)	7,563,503
CAD	3,409,704	-	-	3,409,704
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,545,655	-	(58,336)	2,487,319
Leasehold improvements	402,334	-	-	402,334
Total cost	\$ 22,406,392	\$ 405,530	\$ (282,157)	\$ 22,529,765
Accumulated amortization:				
Furniture and fixtures	\$ 149,535	\$ 23,314	\$ -	\$ 172,849
Computer hardware and system software	5,581,877	658,833	(223,351)	6,017,359
CAD	3,378,252	8,836	-	3,387,088
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,545,655	-	(58,336)	2,487,319
Leasehold improvements	402,334	-	-	402,334
Accumulated amortization	\$ 20,473,879	\$ 690,983	\$ (281,687)	\$ 20,883,175
Net book value:				
Furniture and fixtures	\$ 74,020	\$ -	\$ -	\$ 77,830
Computer hardware and system software	1,827,041	-	-	1,546,144
CAD	31,452	-	-	22,616
RMS	-	-	-	-
RTID	-	-	-	-
Software licenses	-	-	-	-
Leasehold improvements	-	-	-	-
Net book value	\$ 1,932,513	\$ -	\$ -	\$ 1,646,590

5. Related party transactions:

The following table summarizes amounts paid to E-Comm by the Company for executive, shared facilities, and technical services during the fiscal year.

	2025	2024
Technical services and support	\$ 1,964,956	\$ 3,008,553
Shared facilities services	521,573	611,894
Employee secondments	-	2,955,438
Executive services	-	408,925

As of December 2023, all back-office corporate functions provided by E-Comm to PRIMECorp were terminated. E-Comm continues to provide shared facilities services and technical services and support to PRIMECorp.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

5. Related party transactions (continued):

The above transactions are considered to be in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. These transactions are included within the salaries and benefits and premises captions in the statement of operations.

Included in accounts payable and accrued liabilities as at March 31, 2025 is an amount payable of \$136,305 (2024 - \$1,187,009) to E-Comm for these services.

6. Commitments:

E-Comm agreements:

The following table summarizes the agreements the Company currently has with E-Comm.

	Expiry	Minimum amount per annum
Master Executive and Technical Service Agreement ("MSA")	March 31, 2026	\$ 1,831,670
Shared facilities services	December 31, 2025	631,962

Either party may at any time during the term of the MSA terminate it without cause by giving not less than 12-months written notice to the other party. PRIMECorp has provided E-Comm with 12-months written notice of its decision to terminate the MSA at the expiry of the term.

Other agreements:

The Company has software license and support services agreements with Idemia Identity & Security Canada Inc. and Versaterm Inc., expiring May 31, 2029 and December 31, 2025 respectively. The future annual amounts of the maintenance fee payments under the terms of the contracts are:

2025 - 2026	\$ 3,729,895
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The Company has an agreement with Axon Public Safety Canada Inc. to provide access to a Digital Evidence Management System ("DEMS"). The Company will be billed based on the number of authorized users on the platform and the Company will recover the cost of the agreement from the police agencies, as each police agency is responsible for its portion of the DEMS authorized user fee. The estimated future annual amount of the DEMS user fee is \$2,199,170.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Employee Pension Benefits:

The Company and its employees contribute to the Municipal Pension Plan (the "Pension Plan"), a jointly trustee pension plan. The board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Pension Plan, including investment of the assets and administration of benefits. The Pension Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2024, the Pension Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 41 contributors from the Company (2024 – 31 contributors).

The most recent valuation, as at December 31, 2021, indicated a funding surplus of \$3,761 million for basic pension benefits. The most recent valuation was as at December 31, 2024, with results available later in 2025.

Defined contribution plan accounting is applied to the Pension Plan as the Pension Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Pension Plan assets, and costs to individual entities participating in the Pension Plan.

During the fiscal year ended March 31, 2025, the Company paid \$472,037 (2024 - \$88,022) for employer contributions to the Pension Plan.

8. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company is exposed to credit risk with respect to its cash and accounts receivable. The Company has deposited cash with a reputable financial institution, from which management believes the risk of loss to be remote.

The Company assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Company at March 31, 2025 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. There is no provision for doubtful accounts recorded.

PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2025

8. Financial risks and concentration of risk (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements.

Accounts payable and accrued liabilities are generally due within 30-days of receipt of an invoice.

There have been no significant changes to the risk exposures from the prior year.

9. Budget:

The budget information presented in these financial statements was approved by the Board of Directors on March 6, 2024.