

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended March 31, 2024



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## 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, 2024;
- 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, 2024, 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*

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Chartered Professional Accountants

Vancouver, Canada  
June 26, 2024

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial assets:</b>		
Cash	\$ 6,351,170	\$ 5,636,576
Accounts receivable	1,082,225	318,989
	<u>7,433,395</u>	<u>5,955,565</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities (note 7)	1,906,344	999,375
Deferred contributions (note 4)	-	64,815
	<u>1,906,344</u>	<u>1,064,190</u>
Net financial assets	5,527,051	4,891,375
<b>Non-financial assets:</b>		
Tangible capital assets (note 6)	1,646,590	1,932,513
Prepaid expenses	1,415,956	1,222,401
	<u>3,062,546</u>	<u>3,154,914</u>
Accumulated surplus	<u>\$ 8,589,597</u>	<u>\$ 8,046,289</u>

Commitments (note 8)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Todd Matsumoto

Director

Tyrone Sideroff

Director

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 10)	2024	2023
<b>Revenue:</b>			
User service fees	\$ 14,492,560	\$ 14,551,376	\$ 13,769,256
Sales of computer hardware and software licenses	-	357,892	228,511
DEMS - authorized user fees	-	1,372,801	709,581
Road Safety Initiative project	447,090	447,090	495,973
Interest	179,300	371,511	211,281
Miscellaneous	17,500	48,657	31,098
	15,136,450	17,149,327	15,445,700
<b>Expenses (note 2(g)):</b>			
Salaries and benefits	8,207,140	7,853,785	7,296,480
Maintenance and technology	5,103,640	4,797,306	4,548,799
Amortization of tangible capital assets	599,540	690,983	984,643
DEMS - authorized user fees costs	-	1,372,801	709,581
Premises	540,160	656,657	523,301
Office supplies and communication	445,440	358,828	424,155
Computer hardware and software licenses, cost of sales	-	357,892	228,511
Professional fees	283,930	290,957	101,595
Employee related	110,170	183,378	94,740
Other	30,800	43,432	23,611
	15,320,820	16,606,019	14,935,416
Annual surplus (deficit)	(184,370)	543,308	510,284
Accumulated surplus, beginning of year	8,046,289	8,046,289	7,536,005
Accumulated surplus, end of year	\$ 7,861,919	\$ 8,589,597	\$ 8,046,289

See accompanying notes to financial statements.

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

## Statement of Changes in Net Financial Assets

Year ended March 31, 2024, with comparative information for 2023

	Budget (note 10)	2024	2023
Annual surplus (deficit)	\$ (184,370)	\$ 543,308	\$ 510,284
Acquisition of tangible capital assets	(1,676,260)	(405,530)	(1,027,097)
Amortization of tangible capital assets	599,540	690,983	984,643
Loss (gain) on disposal of equipment	-	470	-
Acquisition of prepaid expenses	-	(7,588,778)	(7,125,439)
Use of prepaid expenses	-	7,395,223	6,892,045
Change in net financial assets	(1,261,090)	635,676	234,436
Net financial assets, beginning of year	4,891,375	4,891,375	4,656,939
Net financial assets, end of year	\$ 3,630,285	\$ 5,527,051	\$ 4,891,375

See accompanying notes to financial statements.

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 543,308	\$ 510,284
Item not involving cash:		
Amortization of tangible capital assets	690,983	984,643
Loss (gain) on disposal of equipment	470	-
Changes in non-cash operating working items:		
Accounts receivable	(763,236)	(145,965)
Prepaid expenses	(193,555)	(233,394)
Accounts payable and accrued liabilities	906,969	217,889
Deferred contributions	(64,815)	(495,972)
	1,120,124	837,485
Capital:		
Acquisition of tangible capital assets	(405,530)	(1,027,097)
Increase (decrease) in cash	714,594	(189,612)
Cash, beginning of year	5,636,576	5,826,188
Cash, end of year	\$ 6,351,170	\$ 5,636,576

See accompanying notes to financial statements.



# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements

Year ended March 31, 2024

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## 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, an appointee of the Government of the Province of British Columbia, and an appointee from E-Comm.

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, 2024

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## 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) Deferred contributions:

Deferred contributions are comprised of contributions restricted for the certain purposes. When qualifying expenditures are incurred, the deferred amounts are recognized as revenue at amounts equal to the qualifying expenses.

(d) 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.

(e) 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.

(f) 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.

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 2. Significant accounting policies (continued):

### (g) 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.

### (h) 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. Adoption of new accounting standards:

(a) On April 1, 2023, the Company adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, the Company determined that the adoption of this new standard did not have an impact of the amounts presented in the financial statements.

(b) On April 1, 2023, the Company adopted Public Sector Guideline PSG-8, Purchased Intangibles, applied on a prospective basis ("PSG-8"). PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed the impact of adopting PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.

## 4. Deferred contributions:

	2024	2023
Balance, beginning of year	\$ 64,815	\$ 560,787
Less: Recognition of deferred contributions in the year	(64,815)	(495,972)
Balance, end of year	\$ -	\$ 64,815

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2024

#### 4. Deferred contributions (continued):

The Company incurred \$64,815 (2023 - \$495,972) in qualifying expenditures and recognized this amount as revenue during the year ended March 31, 2024.

#### 5. Loan facility:

The Company has a demand revolving loan facility of \$500,000 (2023 - \$500,000) which was not drawn upon at March 31, 2024 (2023 - nil).

#### 6. Tangible capital assets:

2024	Opening balance	Additions	Disposals	Closing balance
<b>Cost:</b>				
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
<b>Total cost</b>	<b>\$ 22,406,392</b>	<b>\$ 405,530</b>	<b>\$ (282,157)</b>	<b>\$ 22,529,765</b>
<b>Accumulated amortization:</b>				
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
<b>Accumulated amortization</b>	<b>\$ 20,473,879</b>	<b>\$ 690,983</b>	<b>\$ (281,687)</b>	<b>\$ 20,883,175</b>
<b>Net book value:</b>				
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	-	-	-	-
<b>Net book value</b>	<b>\$ 1,932,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,646,590</b>

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 6. Tangible capital assets (continued):

2023	Opening balance	Additions	Disposals	Closing balance
<b>Cost:</b>				
Furniture and fixtures	\$ 223,555	\$ -	\$ -	\$ 223,555
Computer hardware and system software	7,259,415	1,027,097	(877,594)	7,408,918
CAD	3,409,704	-	-	3,409,704
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,545,655	-	-	2,545,655
Leasehold improvements	402,334	-	-	402,334
<b>Total cost</b>	<b>\$ 22,256,889</b>	<b>\$ 1,027,097</b>	<b>\$ (877,594)</b>	<b>\$ 22,406,392</b>
<b>Accumulated amortization:</b>				
Furniture and fixtures	\$ 123,546	\$ 25,989	\$ -	\$ 149,535
Computer hardware and system software	5,518,260	941,211	(877,594)	5,581,877
CAD	3,360,809	17,443	-	3,378,252
RMS	7,590,341	-	-	7,590,341
RTID	825,885	-	-	825,885
Software licenses	2,545,655	-	-	2,545,655
Leasehold improvements	402,334	-	-	402,334
<b>Accumulated amortization</b>	<b>\$ 20,366,830</b>	<b>\$ 984,643</b>	<b>\$ (877,594)</b>	<b>\$ 20,473,879</b>
<b>Net book value:</b>				
Furniture and fixtures	\$ 100,009	\$ -	\$ -	\$ 74,020
Computer hardware and system software	1,741,155	-	-	1,827,041
CAD	48,895	-	-	31,452
RMS	-	-	-	-
RTID	-	-	-	-
Software licenses	-	-	-	-
Leasehold improvements	-	-	-	-
<b>Net book value</b>	<b>\$ 1,890,059</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,932,513</b>

## 7. Related party transactions:

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

	2024	2023
Technical services and support	\$ 3,008,553	\$ 2,562,849
Employee secondments	2,955,438	3,853,933
Executive services	408,925	787,200
Shared facilities services	611,894	479,851

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 7. 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, 2024 is an amount payable of \$1,187,009 (2023 - \$364,829) to E-Comm for these services.

## 8. 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	\$ 2,209,330
Shared facilities services	December 31, 2025	607,234

Either party may at any time during the term of the agreement terminate it without cause by giving not less than 12-months written notice to the other party.

### *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:

2024-2025	\$ 3,603,709
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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 future annual amount of the DEMS user fee under the contract is \$1,875,575.

# PRIMECORP - POLICE RECORDS INFORMATION MANAGEMENT ENVIRONMENT INCORPORATED

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 9. 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, 2024 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.

### (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.

## 10. Budget:

The budget information presented in these financial statements was approved by the Board of Directors on March 8, 2023.

## 11. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. The reclassifications did not have any impact on annual surplus or accumulated surplus.