

Financial Statements of

**E-COMM EMERGENCY COMMUNICATIONS
FOR BRITISH COLUMBIA INCORPORATED**

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of E-Comm Emergency Communications for British Columbia Incorporated

Opinion

We have audited the financial statements of E-Comm Emergency Communications for British Columbia Incorporated (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2025;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year the 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 December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 accounting standards for not-for-profit organization, 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

May 21, 2026

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 51,042,035	\$ 25,116,522
Restricted cash and cash equivalents - Next Generation 9-1-1 ("NG911")	17,814,056	6,614,117
Accounts receivable (note 4)	8,503,777	44,687,849
Prepaid expenses	7,591,847	7,060,266
Short-term investments in direct finance leases receivable (note 5)	1,915,298	3,849,493
Short-term restricted investments at fair value - NG911 (note 6)	21,330,725	28,075,374
	<u>108,197,738</u>	<u>115,403,621</u>
Investment in PRIME Corp. (note 2(a))	1	1
Debt reserve fund (note 3)	298,432	289,755
Long-term prepaid land lease	1,792,929	1,818,182
Long-term portion of prepaid expenses	6,743,927	10,316,970
Long-term investments in direct finance leases receivable (note 5)	5,241,928	5,586,906
Long-term restricted investments at fair value - NG911 (note 6)	12,869,876	7,925,674
Tangible capital assets (note 7)	78,269,927	66,519,743
	<u>\$ 213,414,758</u>	<u>\$ 207,860,852</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 64,832,451	\$ 58,696,311
Deferred revenue	142,621	145,980
Accrued interest payable (note 9)	131,453	131,453
Current portion of long-term debt (note 9)	2,674,143	2,596,255
Other liabilities (note 10)	49,281,982	50,649,618
Deferred contributions - NG911 (note 11)	48,256,483	62,131,441
Deferred capital contribution - NG911 (note 12)	23,745,248	18,391,242
	<u>189,064,381</u>	<u>192,742,300</u>
Long-term debt (note 9)	8,339,514	11,013,657
Asset retirement obligation (note 13)	2,278,172	2,239,633
	<u>199,682,067</u>	<u>205,995,590</u>
Net assets:		
Share capital (note 14)	550	550
Unrestricted net assets	6,257,093	1,864,712
Internally restricted net assets (note 18):		
Operations reserve	6,964,943	-
Carry forward reserve	510,105	-
	<u>13,732,691</u>	<u>1,865,262</u>
Contingencies (note 3)		
Commitments (note 16)		
Economic dependence (note 19)		
	<u>\$ 213,414,758</u>	<u>\$ 207,860,852</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Operations

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

	2025	2024
Revenue:		
Radio system	\$ 32,607,001	\$ 26,719,378
Consolidated dispatch and 9-1-1 call taking system	102,024,243	91,444,618
Contract service fees and miscellaneous revenue	8,349,827	8,353,825
Computer-aided Dispatch system	2,289,276	2,111,532
Records management system	1,382,829	1,540,096
Financing revenue from direct finance leases	660,985	671,024
Tenant recoveries rental	820,410	703,420
Interest income	1,713,182	5,656,591
Provincial grant revenue - NG911	8,520,953	6,595,273
BC Emergency Health Services ("BCEHS") revenue - NG911	4,256,804	3,286,093
Interest revenue - NG911	1,696,414	-
	<u>164,321,924</u>	<u>147,081,850</u>
Direct operating expenses:		
Salaries and benefits	105,054,301	97,142,792
Maintenance and technology	11,846,936	9,673,313
NG911 expenses	14,676,748	11,188,546
Premises	5,417,498	4,981,864
Professional fees	4,039,992	3,421,957
Employee related	2,372,313	2,088,361
Office supplies and communication	1,255,025	1,103,423
Other	277,997	759,208
	<u>144,940,810</u>	<u>130,359,464</u>
Other (income) expenses:		
Amortization of tangible capital assets and prepaid land lease	7,007,582	6,454,282
Amortization of deferred financing costs	-	41,864
Interest on long-term debt	670,141	2,388,206
Accretion of asset retirement obligation (note 13)	38,539	80,784
Fair value gain on NG911 investments	(202,577)	(1,307,180)
	<u>7,513,685</u>	<u>7,657,956</u>
	<u>152,454,495</u>	<u>138,017,420</u>
Excess of revenue over expenses	\$ 11,867,429	\$ 9,064,430

See accompanying notes to financial statements.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Changes in Net Assets

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

	Share capital (note 14)	Internally restricted	Unrestricted	2025 Total	2024 Total
Balance, beginning of year	\$ 550	\$ -	\$ 1,864,712	\$ 1,865,262	\$ (7,199,718)
Excess of revenue over expenses for the year	-	-	11,867,429	11,867,429	9,064,430
Interfund transfers (note 18):					
Operations reserve	-	6,964,943	(6,964,943)	-	-
Carry forward reserve	-	510,105	(510,105)	-	-
Balance, end of year	\$ 550	\$ 7,475,048	\$ 6,257,093	\$ 13,732,691	\$ 1,864,712

See accompanying notes to financial statements.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 11,867,429	\$ 9,064,430
Items not involving cash:		
Amortization of tangible capital assets	6,982,329	6,429,027
Deferred contributions recognized as revenue	(8,520,953)	(6,595,273)
Amortization of prepaid land lease	25,253	25,252
Accretion of asset retirement obligation ("ARO")	38,539	80,784
Adjustment due to revaluation of ARO	-	202,552
Amortization of deferred financing costs	-	41,864
Interest earned on debt reserve fund	(8,677)	(34,683)
Interest earned on investments in direct finance leases receivable	(660,985)	(671,024)
Fair value gain on investments in financial instruments	(202,577)	(1,307,180)
Changes in non-cash operating items:		
Accounts receivable and long-term receivables	36,184,072	(30,303,849)
Prepaid expenses	3,041,462	(8,372,607)
Accounts payable, accrued liabilities and interest payable	6,136,140	2,154,324
Deferred revenue	(3,359)	38,853
Other liabilities	(1,367,636)	30,465,652
Cash flows provided by operating activities	53,511,037	1,218,122
Financing activities:		
Repayment of long-term debt	(2,596,255)	(8,711,746)
Debt reserve fund adjustment on retirement of debt	-	1,931,143
Cash flows used in financing activities	(2,596,255)	(6,780,603)
Investing activities:		
Restricted investments in financial instruments - NG911	2,003,024	25,662,084
Acquisition and construction of tangible capital assets - NG911	(8,167,172)	(13,566,664)
Acquisition and construction of tangible capital assets - E COMM	(10,565,340)	(3,468,717)
Payments received on direct finance leases receivable	4,612,820	6,641,820
Acquisition of assets, net of proceeds on disposal for direct finance leases	(1,672,662)	(642,547)
Cash flows provided by (used in) investing activities	(13,789,330)	14,625,976
Increase in cash and cash equivalents and restricted cash and cash equivalent - NG911	37,125,452	9,063,495
Cash and cash equivalents, beginning of year	31,730,639	22,667,144
Cash and cash equivalents, end of year	\$ 68,856,091	\$ 31,730,639
Cash and cash equivalents are represented by:		
Cash and cash equivalent	\$ 51,042,035	\$ 25,116,522
Restricted cash and cash equivalent - NG911	17,814,056	6,614,117
	\$ 68,856,091	\$ 31,730,639
Non-cash transactions:		
Transfer to deferred capital contributions (note 11)	\$ 5,354,006	\$ 8,449,043

See accompanying notes to financial statements.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements

Year ended December 31, 2025

1. Operations:

E-Comm Emergency Communications for British Columbia Incorporated (the "Corporation") was created in 1997 under legislation known as the Emergency Communications Corporations Act. On September 22, 1997, the Corporation was incorporated under the *Business Corporations Act* (British Columbia).

The Corporation provides centralized emergency communications and related public safety and public service to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout British Columbia. Primary services are provided to shareholder members of the Corporation pursuant to the Members' Agreement and to the Royal Canadian Mounted Police ("RCMP") pursuant to a Special User Agreement.

The Corporation is exempt from income tax under the *Income Tax Act*.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and incorporate the following significant accounting policies:

(a) Basis of presentation:

In March 2003, the Corporation established Police Records Information Management Environment Incorporated ("PRIMECorp"), a wholly-owned company, to ensure that the records management system and computer aided dispatch system are delivered and consistent in all police agencies throughout British Columbia. As the operations are controlled by the Province of British Columbia, Minister of Public Safety and Solicitor General, the net assets and operations of PRIMECorp have not been included in these financial statements.

(b) Revenue recognition:

The Corporation follows the deferral method for recognizing contributions.

Restricted contributions including grants are initially deferred and subsequently recognized as revenue in the year in which the related expenses are incurred by the Corporation. Contributions restricted for the purchase of tangible capital assets are deferred and amortized to revenue at a rate corresponding with the amortization rate for the related tangible capital assets.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from the provision of services is recognized in the period that the services are provided through operating activities or the consumption of tangible capital assets over their useful lives, irrespective of the period in which the service is billed. The Members' Agreement specifies the manner in which members are obligated to pay for services rendered by the Corporation. Finance income related to direct-financing type leases is recognized in a manner that produces a constant rate of return over the terms of the leases. Amounts received for future services are deferred until the service is provided.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

For financial reporting purposes, the net asset accounts have been classified as follows:

(i) Unrestricted net assets:

Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Corporation each year, net of transfers, and are available for general purposes. The Corporation's investment in capital assets is also included in the unrestricted net assets.

(ii) Internally restricted net assets:

Internally restricted net assets are funds which have been designated for specific purposes by the Corporation's Board of Directors (the "Board"). The following funds have been approved by the Board:

The *Operations Reserve* - During fiscal 2025, the Corporation established an Operations Reserve to enhance the Corporation's financial stability, resilience, and sustainability. The policy sets a minimum Operations Reserve balance of 5%, a target of 10%, and a maximum of 15% of total annual operations revenue, with clear rules for funding, permitted uses, and replenishment.

The *Carry forward Reserve* - During fiscal 2025, the Corporation established a Carry forward Reserve, to provide an administratively efficient mechanism by which to carry forward project funds.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, cash held in banks and term deposits maturing within 90-days from the date of acquisition, net of bank overdrafts, if any.

(d) Costs recoverable through future billings:

Costs recoverable through future billings represent services provided through the utilization of tangible capital assets, the cost of which is recoverable through future payments in accordance with the Members' Agreement.

(e) Prepaid land lease:

The land on which the Corporation's building is located has been leased from the City of Vancouver for a period of 99-years commencing 1999. The prepaid amount is being amortized, and recovered through billings, over the term of the lease.

(f) Tangible capital assets:

Tangible capital assets are stated at cost, net of accumulated amortization. Interest costs directly attributable to major projects are capitalized and, commencing at project completion, are amortized over the estimated life of the underlying assets.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Amortization begins when assets are put into use and is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Rate
Building	40 years
Furniture, fixtures and building equipment	3 years to 25 years
Radio	5 years to 20.5 years
Dispatch consoles and voice systems	7 years to 10 years
Records management system - Fire	5 years to 10 years
Computer aided dispatch - Fire	5 years to 10 years
User equipment	7.5 years to 12.5 years
Leasehold improvements	Over the term of the lease

The Corporation reviews its tangible capital assets for impairment whenever events or changes in circumstances indicate that the tangible capital asset no longer contributes to the Corporation's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such condition exists, an impairment loss is measured and recorded in the Statement of Operations at the amount by which the carrying amount of the tangible capital asset exceeds its fair value or replacement cost.

Work-in-progress is not amortized until the asset is available for productive use.

(g) Employee future benefits:

The Corporation participates in a multi-employer defined benefit pension plan. Defined contribution plan accounting is applied to this plan because the actuary does not attribute the deficit or surplus of the plan to specific employers. The pension expense associated with this plan is equal to the Corporation's contributions during the reporting period.

(h) Asset retirement obligations:

The Corporation recognizes the liability for an asset retirement obligation that results from acquisition, construction, development or normal operations in the year in which it is incurred and when a reasonable estimate of fair value can be made. The amount recognized is the best estimate of the expenditure required to settle the present obligation. The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, short-term and long-term investments, debt reserve fund, accounts payable and accrued liabilities, and long-term debt.

(i) Cash and cash equivalents, accounts receivable, and debt reserve fund are measured at amortized cost.

(ii) Investments:

(A) *Short-term investments* - include any fixed income investments with a term to maturity of less than one year. Short-term investments are measured at fair value.

(B) *Long-term investments* - include any fixed income investments with a term to maturity of more than one year. Long-term investments are measured at fair value.

(iii) Financial liabilities such as accounts payable and accrued liabilities, and long-term debt are measured at amortized cost.

(j) Related party transactions:

Transactions with related parties are in the normal course of operations and are recorded at the agreed upon exchange amount. Contractual arrangements and service agreements with related parties are subject to the Corporation's tendering and proposal processes.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

2. Significant accounting policies (continued):

(k) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements. Areas requiring the use of management estimates relate to the measurement of asset retirement obligations and established useful lives of tangible capital assets. Actual results could differ from those estimates.

3. Debt reserve fund and contingencies:

- (a) The Corporation is required to maintain 1% of the initial borrowings through the Municipal Finance Authority of British Columbia ("MFA") in a debt reserve fund administered by the MFA. The original amount is presented together with interest earned on the reserve fund investments.

Demand notes in the aggregate amount of \$1,142,788 (2024 - \$1,142,788) are also provided by the Corporation to the MFA as a requirement of the borrowings. The debt agreement with the MFA provides that if at any time the scheduled payments provided for in the agreement are not sufficient to meet the MFA's obligations in respect to such borrowing, the deficiency becomes the joint and several liability of the Corporation and all other participants to the agreement through the MFA.

The Corporation is similarly liable on a contingent basis for the debt of other entities secured through the MFA. These contingent demand loans are not recorded in the Corporation's financial statements as they are not likely to be paid. If at any time the Corporation does not have sufficient funds to meet payments due on its obligations, the payments shall be made from the debt reserve fund.

The amounts due to the Corporation from the debt reserve fund are repaid to the Corporation when the respective loan agreements mature. There were no additions to the debt reserve fund during the year (2024 - nil) as the Corporation maintains the required amount in the debt reserve fund. Interest earned on the debt reserve fund at 2.99% per annum (2024 - 1.58%) amounts to \$8,676 (2024 - \$34,683).

- (b) In the ordinary course of business, claims are asserted or made against the Corporation, and the Corporation is currently involved in various legal actions. The outcomes of these actions cannot be determined at this time. A provision has been made in the accounts for any possible unfavourable outcome of these actions, if any. The amount of any loss in excess of the provision and insurance coverage will be recorded when determinable.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Accounts receivable:

	2025	2024
Dispatch and 9-1-1 call taking levies	\$ 42,442	\$ 2,368
Radio levies	1,288,088	1,204,696
Technology support services fees	1,412,188	1,141,809
BCEHS - includes NG911	-	40,580,518
Other receivables	5,905,410	1,758,458
	8,648,128	44,687,849
Less Allowance for doubtful debts	144,351	-
	\$ 8,503,777	\$ 44,687,849

5. Investments in direct finance leases receivable:

	2025	2024
User equipment lease receivable (a)	\$ 5,255,073	\$ 7,884,324
Remote dispatch equipment lease receivable (b)	1,275,233	1,552,075
Computer aided dispatch lease receivable (c)	626,920	-
	7,157,226	9,436,399
Less short term	1,915,298	3,849,493
	\$ 5,241,928	\$ 5,586,906

(a) Specific user agencies lease user equipment from the Corporation under 7.5-year direct finance leases. The leases bear imputed interest of \$494,525 in aggregate (2024 - \$1,014,266) at rates of 2.24% to 4.65% over the lease term. The future minimum payments, excluding financing costs, due from the user agencies are as follows:

2026	\$ 1,513,049
2027	1,106,339
2028	872,209
2029	802,490
2030	619,068
Thereafter	341,918
	\$ 5,255,073

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Investments in direct finance leases receivable (continued):

- (b) Specific user agencies lease remote dispatch equipment from the Corporation under 10-year direct finance leases. The leases bear imputed interest of \$152,522 in aggregate (2024 - \$189,822) at rates of 2.24% to 2.85% over the lease term. The future minimum payments, excluding financing costs, due from the remote dispatch agencies are as follows:

2026	\$	276,800
2027		211,323
2028		172,560
2029		172,560
2030		172,560
Thereafter		269,430
	\$	1,275,233

- (c) Specific user agencies lease computer aided dispatch user equipment from the Corporation under 5-year direct finance leases. The leases bear imputed interest of \$54,131 in aggregate average bank interest rates of 3.00% to 3.06% over the lease term. The future minimum payments, excluding financing costs, due from the user agencies are as follows:

2026	\$	125,384
2027		125,384
2028		125,384
2029		125,384
2030		125,384
	\$	626,920

6. Restricted Investments at fair value - NG911:

The Corporation manages its investments in accordance with its investment policies and procedures. The investments held are measured at fair value and they include investment income earned and reinvested.

	2025	2024
Fixed income	\$ 34,200,601	\$ 36,001,048
Less short-term	21,330,725	28,075,374
	\$ 12,869,876	\$ 7,925,674

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Tangible capital assets:

			2025		2024	
	Cost	Accumulated depreciation	Net book value		Net book value	
Building	\$ 9,740,884	\$ (6,282,610)	\$ 3,458,274	\$	3,417,880	
Furniture, fixtures and building equipment	19,138,053	(11,852,984)	7,285,069		6,956,660	
Radio	75,087,560	(51,035,984)	24,051,576		26,993,683	
Dispatch consoles and voice systems	5,356,227	(4,905,574)	450,653		706,694	
Records management system - Fire	2,435,733	(2,373,776)	61,957		67,334	
Computer aided dispatch - Fire	3,194,134	(3,092,554)	101,580		65,574	
User equipment	244,457	(144,812)	99,645		56,412	
Leasehold improvements	1,071,362	(917,151)	154,211		153,470	
Work-in-progress - Non-NG911	6,337,753	-	6,337,753		-	
Work-in-progress - NG911	36,269,209	-	36,269,209		28,102,036	
	\$ 158,875,372	\$ (80,605,445)	\$ 78,269,927	\$	66,519,743	

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2025 are government remittances payable of \$1,379,010 (2024 - \$1,990,156) relating to payroll related taxes.

9. Long-term debt:

	2025		2024	
2.24% unsecured note payable, maturing October 9, 2029	(a)	\$ 11,013,657	\$	13,609,912
Less current portion		2,674,143		2,596,255
		\$ 8,339,514	\$	11,013,657

On March 24, 1998, the Corporation entered into an agreement with the MFA to borrow up to a maximum of \$170,000,000. Long-term debt is currently comprised of the following:

- (a) On October 9, 2019, the Corporation obtained \$25,500,000 in long-term borrowing from the MFA for user agency P25 mobile subscriber equipment, radio infrastructure and subscriber equipment for Translink's transition onto the Corporation's radio system. The loan has a term of 10 years with a final payment date of October 9, 2029, and bears interest at a rate of 2.24%, with interest calculated and paid semi-annually in each year of the loan.

The Corporation's borrowing capacity will increase in accordance with the above maturity date.

The repayment requirements for the existing borrowing agreements for long-term debt are reported net of the sinking fund asset balances of \$160,043,343 (2024 - \$157,447,088). The sinking fund balance represents the principal payments made on outstanding debt to date.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Long-term debt (continued):

As such, the repayment schedule during the next five years and in aggregate is as follows:

2026	\$	2,674,143
2027		2,753,998
2028		2,837,366
2029		2,748,150
2030		-
	\$	11,013,657

There is \$131,453 (2024 - \$131,453) of interest accrued on outstanding amounts at year-end.

10. Other liabilities:

		2025	2024
User equipment	(a)	\$ 5,069,843	\$ 2,907,071
Radio	(b)	9,590,639	8,529,686
HealthLink BC	(c)	554,022	311,505
Fire RMS & CAD	(d)	3,756,912	4,053,343
BCEHS	(e)	28,497,799	32,754,605
Radio member agency projects	(f)	384,213	-
Other liabilities	(g)	1,428,554	2,093,408
		\$ 49,281,982	\$ 50,649,618

Other liabilities consist of the following:

- (a) The Corporation has received annual payments through user equipment billings from radio member agencies starting in 2007 for future user equipment purchases for specific user agencies. The funds collected are recorded as other liabilities until they are spent on behalf of the user agencies. In 2025, \$2,162,772 was collected through billings, nil (2024 - nil) was repaid to user agencies, and nil (2024 - \$48,490) was drawn down for user equipment purchases on behalf of member agencies. Interest is not earned on this balance.
- (b) Starting in 2006, the Corporation has collected funds through radio billings from radio member agencies to be set aside for future radio related expenditures. The funds collected are recorded as other liabilities until they are spent. In 2025, nil (2024 - nil) was collected through billings, \$1,000,000 (2024 - \$1,034,989) was authorized to be expended from the funds and was spent, and \$60,953 (2024 - \$45,685) of interest was earned by and allocated to the liability, calculated based on the average bank interest rate during the year. In 2025, \$2,000,000 of 2025 radio surpluses was allocated to the Radio Reserve. In 2025, nil (2024 - \$860,919), net of interest was repaid to the Radio fund from the NG911 Provincial grant for related expenses incurred by the Corporation.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

10. Other liabilities (continued):

- (c) The Corporation has received funds from HealthLink BC (“HLBC”), for future expenditures. These amounts are recorded as other liabilities until the funds are spent. There is no interest earned on this balance.
- (d) The Corporation has collected annual payments starting in 2011 through Fire RMS and Fire CAD billings from Fire RMS and Fire CAD member agencies for future capital use. The funds collected are recorded as other liabilities until they are spent. In 2025, nil (2024 - \$661,722) was collected through billings and \$495,621 (2024 - \$361,681) was drawn down for approved RMS/CAD lifecycle replacement project. Interest is not earned on this balance.
- (e) The Corporation has received payment from BCEHS for the delivery of NG911 services and other related services. These amounts are recorded as other liabilities until the related expenditures have been incurred by the Corporation in order to fulfill its obligations to BCEHS.
- (f) Starting in 2025, the Corporation has collected funds through radio billings from radio member agencies for one-time project costs. The funds collected are recorded as other liabilities until they are spent.
- (g) The Corporation received funding from the Province of British Columbia and contracted partners HLBC, BCEHS, RCMP and Surrey Police Service for participating in Public Safety Broadband Network trials and to create a strategic roadmap for implementing NG911 service in British Columbia. The funds received are recorded as other liabilities until the funds are spent.

11. Deferred contributions - NG911:

Deferred contributions represent unspent grants or contract resources restricted for specific purposes and projects, and include expenses for operating, as well as capital resources.

The Corporation received \$90,000,000 on March 30, 2023, from Ministry of Public Safety and Solicitor General (the “Ministry”) to support its obligation to transition to the NG911 network in compliance with the Canadian Radio-television and Telecommunications Commission mandate set for March 31, 2027. To implement NG911, Public Safety Answering Points (“PSAPs”) must upgrade their equipment to be compatible with the NG911 networks and to receive IP-based 911 communications. Starting from January 1, 2025, interest earned on investments purchased using NG911 funds were restricted for usage on NG911 project expenses.

Deferred contributions are comprised of the following:

	2025	2024
Balance, beginning of year	\$ 62,131,441	\$ 77,175,757
Increases during the year:		
Interest earned on investment of NG911 funds	1,696,414	-
Decreases during the year:		
Amounts recognized as revenue during the year	(10,217,366)	(6,595,273)
Transfer to deferred capital contributions (note 12)	(5,354,006)	(8,449,043)
	(15,571,372)	(15,044,316)
Balance, end of year	\$ 48,256,483	\$ 62,131,441

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

12. Deferred capital contributions - NG911:

Deferred capital contributions relate to grants or contract resources specifically restricted for capital asset purchases. As these tangible capital assets are amortized, revenue will be recognized to offset the amortization expenses related to these capital expenditures. The change in the deferred capital contributions balance for the year is as follows:

	2025	2024
Balance, beginning of year	\$ 18,391,242	\$ 9,942,199
Add: transfer from deferred contributions (note 11)	5,354,006	8,449,043
Less: amounts amortized to revenue	-	-
Balance, end of year	\$ 23,745,248	\$ 18,391,242

13. Asset retirement obligation:

The Corporation has recorded an asset retirement obligation ("ARO") for the estimated costs of restoring certain leased sites on which the Corporation's radio towers are situated to their original condition at the end of the lease terms. Changes in the asset retirement obligation during the year are as follows:

	2025	2024
Balance, beginning of year	\$ 2,239,633	\$ 1,956,297
Accretion expense	38,539	80,784
Adjustment due to revaluation of ARO	-	202,552
Balance, end of year	\$ 2,278,172	\$ 2,239,633

The undiscounted estimated cash flows required to settle the obligations range from \$6,900 to \$170,000 during the years 2026 through 2066. The cash flows are discounted using credit adjusted risk-free rates of 3.26% to 4.76% (2024 - 3.35% to 4.44%)

Other assumptions used by management to determine the carrying amount of the asset retirement obligation include costs to restore the leased sites to their original condition and the rate of inflation over the expected years to settlement.

There are certain leased sites with an indeterminable amount of the asset retirement obligation as adequate information is not available to estimate fair value. As such, no asset retirement obligation has been recorded in the Corporation's financial statements for these indeterminable amounts.

An independent valuation of the ARO was undertaken in 2024 which has resulted in an adjustment to revalue the estimated obligation.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

14. Share capital:

(a) Authorized:

370 Class A common voting shares without par value. Following project completion, Class A shareholders are obligated to share in funding both the ongoing operations and any additional costs relating to tangible capital assets (in accordance with a cost-sharing formula). Upon a member acquiring a Class A share, that member shall have agreed to use the Corporation's wide area radio system network to which the Class A share relates.

180 Class B common restricted voting shares without par value. Following project completion, Class B shareholders can elect to become Class A shareholders on the condition that the member agrees to use the Corporation's wide area radio system network. Class B shareholders are not obligated to share in funding the ongoing operating costs.

(b) Issued:

		2025	2024
37	Class A common voting shares (2024 - 37)	\$ 370	\$ 370
18	Class B common restricted voting shares (2024 - 18)	180	180
		\$ 550	\$ 550

(c) RCMP Special User Agreement:

Due to existing Federal restrictions, the RCMP cannot become a shareholder in the Corporation. Consequently, a Special User Agreement has been executed such that the RCMP has the right to participate in the Corporation's activities project on the same terms and conditions as the Class A shareholders, including the obligation to fund both the ongoing operating costs and any additional costs relating to tangible capital assets, in accordance with a cost-sharing formula.

15. Related party transactions:

PRIMECorp is related by virtue of executive and technology support services agreements under which certain of the Corporation's management act in executive positions for PRIMECorp and the Corporation provides technology support services to PRIMECorp. The amounts are recognized in contract service fees and miscellaneous revenue, and records management system on the Statement of Operations.

The following table summarizes transactions between PRIMECorp and the Corporation during the year:

	2025	2024
Technical services and support	\$ 4,881,910	\$ 4,486,392
Employee secondments and employee related expenses	1,717,753	2,209,331
Shared facilities services	210,899	307,304
	\$ 6,810,562	\$ 7,003,027

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

15. Related party transactions (continued):

The above transactions, unless disclosed otherwise, 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.

Included in accounts receivable is an amount of \$60,781 (2024 - \$53,902) due from PRIMECorp.

16. Commitments:

(a) Operating leases:

(i) The Corporation has entered into leases of land for certain radio tower sites. These leases expire in future years from 2026 to 2066 and are renewable at the option of the Corporation. Future minimum payments under these leases, excluding option periods, are approximately as follows:

2026	\$	1,334,813
2027		1,302,154
2028		1,320,429
2029		1,334,697
2030		1,298,503
Thereafter		11,175,707
		<hr/>
	\$	17,766,303

(ii) The Corporation is committed under vehicle and office equipment operating leases having varying expiry dates to the year 2027. The future minimum payments under the terms of such leases are as follows:

2026	\$	53,065
2027		1,012
		<hr/>
	\$	54,077

(iii) The Corporation has entered into leases for office premises. The leases expire in future years from 2026 to 2034 and are renewable at the option of the Corporation. The future minimum payments, excluding the renewals at the option of the Corporation, are approximately as follows:

2026	\$	1,569,075
2027		1,576,286
2028		1,583,497
2029		84,329
2030		1,011,949
Thereafter		3,120,176
		<hr/>
	\$	8,945,312

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

16. Commitments (continued):

(b) Municipal Pension Plan:

The Corporation 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, 2025, the Pension Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 826 contributors from the Corporation (2024 - 794 contributors).

The most recent valuation, as at December 31, 2024, indicated a funding surplus of \$2,675 million for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2027.

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 year ended December 31, 2025, the Corporation paid \$7,017,108 (2024 - \$6,095,332) for employer contributions to the Pension Plan.

(c) Service commitments:

The Corporation has a software license agreement with Motorola Solution Incorporation to provide ASTRO 25 System Upgrade II ("SUAI") for the period of January 1, 2023 to December 31, 2025. This agreement will be renewed in early 2026.

17. Financial risks:

(a) Market risk:

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates, interest rates and equity prices, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on investments.

(i) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Corporation. The Corporation is exposed to interest rate risk on its fixed interest rate financial instruments.

Fixed-rate instruments subject the Corporation to fair value risk. The Corporation is exposed to this risk as a result of investment in fixed income financial instruments.

The Corporation is also exposed to interest rate risk related to its long-term debt which is subject to fixed interest rate. Fluctuations in rates could impact future payments upon renewal.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

17. Financial risks (continued):

(a) Market risk (continued):

(ii) Currency risk:

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates. The Corporation does not hold investments in foreign currencies.

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating and capital requirements. The Corporation prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from the prior year.

(c) Credit risk:

Credit risk is the risk of economic loss should the counterparty to a transaction default or otherwise fail to meet its obligation. The Corporation is exposed to credit risk through its cash, investments in fixed income, and receivables. The maximum exposure to credit risk on these instruments is their carrying value. The Corporation manages the risk by retaining professional investment counselors who act in accordance with the Corporation's investment policies. The Corporation has deposited cash with reputable financial institutions, from which management believes the risk of loss to be remote.

The Corporation has receivables from shareholder members and other government agencies, and management does not believe there is a significant credit risk. The Corporation monitors, on a regular basis, the credit risk to which the Corporation is exposed in relation to its assets and takes steps to minimize the risk of loss. There has been no change to the risk exposure from the prior year.

18. Interfund transfers:

During the year, 2024 excess of revenue over expenses in the amount of \$1,864,712 and 2025 excess of revenue over expenses in the amount of \$5,100,231 was transferred from unrestricted net assets to the internally restricted Operations Reserve.

In addition, 2025 excess of revenue of expenses in the amount of \$510,105 was transferred from unrestricted net assets to the internally restricted Carry forward reserve.

E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2025

19. Economic dependence:

The Corporation is economically dependent on the class A shareholder members (note 15) and the RCMP, who are obligated to share in funding both the ongoing operations and any additional costs relating to tangible capital assets (in accordance with a cost-sharing formula).

For the year ended December 31, 2025, the Corporation received approximately 66% (2024 - 64%) of its revenues through Dispatch and 9-1-1 services agreements. Approximately 31% (2024 - 32%) of the dispatch revenues is from one (2024 - one) municipality for the provision of police and fire dispatch services.

20. Comparative amounts:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.