

Consolidated Interim Financial Statements
(Expressed in thousands of Canadian dollars)

**LAND TITLE AND SURVEY AUTHORITY
OF BRITISH COLUMBIA**

Three months ended June 30, 2022 and 2021
(Unaudited)

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Interim Statement of Financial Position (unaudited)
(Expressed in thousands of Canadian dollars)

	June 30, 2022	March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents (note 6)	\$ 21,912	\$ 26,467
Investments	65,777	62,150
Funds held for customers	4,855	4,631
Trade and other receivables	590	123
Prepaid expenses	849	1,177
	93,983	94,548
Property and equipment (note 7)	14,668	15,452
Intangible assets (note 8)	21,752	21,824
Goodwill	1,910	1,910
	38,330	39,186
	\$ 132,313	\$ 133,734
Liabilities and Equity		
Current liabilities:		
Trade and other payables	\$ 2,141	\$ 2,041
Customer deposits held	4,855	4,631
Provisions	203	203
Employee benefits (note 9)	2,811	3,618
Contract liabilities (note 10)	1,456	1,271
Income tax payable	-	543
Current lease liabilities (note 11)	2,076	2,056
	13,542	14,363
Deferred tax liabilities	310	318
Lease liabilities (note 11)	7,628	8,153
	7,938	8,471
	21,480	22,834
Equity:		
Retained earnings	110,833	110,900
	\$ 132,313	\$ 133,734

See accompanying notes to the consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Interim Statement of Comprehensive Income (unaudited)
(Expressed in thousands of Canadian dollars)

Three months ended June 30, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Examination services	\$ 7,626	\$ 8,294
Information products and subscriptions	5,147	5,414
Service fees	2,610	2,663
	15,383	16,371
Cost of revenue (note 4):		
Cost of examination services	5,813	5,268
Cost of information products and subscriptions	1,433	1,300
Cost of service fees	941	829
	8,187	7,397
Gross income	7,196	8,974
Operating expenses (note 4):		
Research and development	910	1,082
Policy and regulation	1,035	963
General and administrative	2,443	1,877
	4,388	3,922
Operating income	2,808	5,052
Other income (expenses)		
Lease interest	(94)	(112)
Bank charges and investment fees	(74)	(53)
Investment income (loss) (note 5)	(2,355)	915
Loss on disposal of property and equipment	-	(2)
	(2,523)	748
Income before income taxes	285	5,800
Income tax expense (recovery):		
Current	360	421
Deferred	(8)	(36)
	352	385
Net income (loss) and comprehensive income (loss)	\$ (67)	\$ 5,415

See accompanying notes to the consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Interim Statement of Changes in Equity (unaudited)
(Expressed in thousands of Canadian dollars)

Three months ended June 30, 2022, with comparative information for 2021

	Unappropriated retained earnings	Assurance Fund reserve	Total retained earnings
Balance, April 1, 2021	\$ 92,698	\$ 6,000	\$ 98,698
Net income and comprehensive income	5,415	-	5,415
Balance, June 30, 2021	\$ 98,113	\$ 6,000	\$ 104,113
Balance, April 1, 2022	\$ 104,900	6,000	110,900
Net income and comprehensive income	(67)	-	(67)
Balance, June 30, 2022	\$ 104,833	\$ 6,000	\$ 110,833

See accompanying notes to the consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Interim Statement of Cash Flows (unaudited)
(Expressed in thousands of Canadian dollars)

Three months ended June 30, 2022, with comparative information for 2021

	2022	2021
Cash flow from operating activities:		
Cash received for:		
Fees	\$ 15,479	\$ 16,984
Fees collected on behalf of the Province of BC	11,613	13,513
Fees collected on behalf of other parties	4,911	4,185
Interest	374	296
	32,377	34,978
Cash paid for:		
Salaries and benefits	(7,269)	(6,333)
Goods and services	(6,483)	(2,497)
Sales and income taxes	(1,282)	(520)
Fees submitted to the Province of BC	(11,628)	(13,440)
Fees submitted to other parties	(4,910)	(4,174)
	(31,572)	(26,964)
Total cash flow from operating activities	805	8,014
Cash flow from financing activities:		
Repayment of finance lease obligations	(506)	(520)
Lease interest	(94)	(112)
	(600)	(632)
Cash flow from investing activities:		
Purchase of investments	(11,794)	(13,793)
Proceeds from sale or maturity of investments	8,167	10,288
Purchase of property and equipment, net	(157)	(95)
Purchase of intangible assets	(976)	(1,059)
	(4,760)	(4,659)
Net increase (decrease) in cash and cash equivalents	(4,555)	2,723
Cash and cash equivalents, beginning of period	26,467	16,546
Cash and cash equivalents, end of period	\$ 21,912	\$ 19,269

See accompanying notes to the consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Three months ended June 30, 2022, with comparative information for 2021

1. Nature of operations:

The Land Title and Survey Authority of British Columbia (the "LTSA") is an independent, not-for-profit corporation without share capital. It is established under the *Land Title and Survey Authority Act* and has responsibility for managing, operating and maintaining British Columbia's land title and land survey systems. Our corporate head office is located at Suite 200, 1321 Blanshard Street, Victoria, British Columbia. The LTSA's primary customers are legal professionals, land surveyors, certain statutory officers and other professionals who act on behalf of those who have an interest in conducting land-related transactions. Other stakeholders include all levels of government and First Nations, real estate professionals, financial institutions, historians, registry agents and other organizations, and the general public.

The LTSA operates independently from the provincial government, but must meet obligations and targets that the provincial government has established for it both in legislation and in a written Operating Agreement. The Operating Agreement has a term of 60 years, with the provision to renegotiate the revenue arrangement between the province and the LTSA every 10 years.

2. Basis of presentation and statement of compliance:

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They include the assets, liabilities, revenues and expenses of the LTSA and its wholly owned subsidiaries LandSure Systems Limited ("LandSure") and Autoprop Software Limited ("Autoprop"). All significant intercompany balances and transactions have been eliminated on consolidation.

These interim consolidated financial statements should be read in conjunction with the LTSA's consolidated financial statements for the year ended March 31, 2022 which are included in the LTSA's 2022 financial report. The consolidated interim financial statements were authorized for issue on September 22, 2022 by the LTSA's Board of Directors.

3. Summary of significant accounting policies:

The significant accounting policies that have been applied, on a consistent basis, in the preparation of these interim consolidated financial statements are included in the LTSA's audited consolidated financial statements for the year ended March 31, 2022. Those accounting policies have been used throughout all periods presented in the interim consolidated financial statements and are prepared in accordance with IFRS.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Three months ended June 30, 2022, with comparative information for 2021

4. Expenses:

	2022	2021
Expenses by nature:		
Salaries and benefits	\$ 6,457	\$ 5,762
Information services	1,788	1,418
Office and business expenses	727	596
Building occupancy	386	318
Professional fees	1,115	931
Amortization of assets	2,102	2,294
	\$ 12,575	\$ 11,319
Expenses, per Statement of Comprehensive Income:		
Cost of revenue	\$ 8,187	\$ 7,397
Operating expenses	4,388	3,922
	\$ 12,575	\$ 11,319

5. Investment income (loss):

	2022	2021
Interest and dividend income	\$ 398	\$ 300
Change in fair value of investments	(2,704)	618
Loss on disposal of investments	(49)	(3)
	\$ (2,355)	\$ 915

6. Cash and cash equivalents:

	June 30, 2022	March 31, 2022
Cash in bank and on hand	\$ 21,204	\$ 19,777
Cash equivalents	708	6,690
	\$ 21,912	\$ 26,467

Included in cash in bank and on hand are fees payable to the Province of British Columbia of \$300 (March 31, 2022: \$314) and other fees payable of \$69 (March 31, 2022: \$68).

Under the terms of the Operating Agreement with the Province of British Columbia, the province's share of fees are collected on behalf of the province and must be remitted within one business day of collection. These amounts payable to the province are included in trade and other payables.

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Notes to Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Three months ended June 30, 2022, with comparative information for 2021

7. Property and equipment:

	Vault storage systems	Technical equipment	Office furniture and equipment	Leasehold improvements	Right of use assets	Total
Cost:						
Balance, April 1, 2021	\$ 1,218	\$ 2,905	\$ 3,333	\$ 9,744	\$ 13,692	\$ 30,892
Additions	12	59	-	24	-	95
Disposals	-	(3)	-	-	-	(3)
Balance, June 30, 2021	\$ 1,230	\$ 2,961	\$ 3,333	\$ 9,768	\$ 13,692	\$ 30,984
Balance, April 1, 2022	\$ 1,239	\$ 3,170	\$ 3,336	\$ 9,291	\$ 13,859	\$ 30,895
Additions	-	142	15	-	-	157
Disposals	-	-	-	-	-	-
Balance, June 30, 2022	\$ 1,239	\$ 3,312	\$ 3,351	\$ 9,291	\$ 13,859	\$ 31,052
Amortization:						
Balance, April 1, 2021	\$ (532)	\$ (2,095)	\$ (2,063)	\$ (4,605)	\$ (3,799)	\$ (13,094)
Amortization	(29)	(84)	(73)	(264)	(499)	(949)
Disposals	-	2	-	-	-	2
Balance, June 30, 2021	\$ (561)	\$ (2,177)	\$ (2,136)	\$ (4,869)	\$ (4,298)	\$ (14,041)
Balance, April 1, 2022	\$ (639)	\$ (2,387)	\$ (2,237)	\$ (4,725)	\$ (5,455)	\$ (15,443)
Amortization	(29)	(98)	(75)	(272)	(467)	(941)
Disposals	-	-	-	-	-	-
Balance, June 30, 2022	\$ (668)	\$ (2,485)	\$ (2,312)	\$ (4,997)	\$ (5,922)	\$ (16,384)
Net book value:						
June 30, 2021	\$ 669	\$ 784	\$ 1,197	\$ 4,899	\$ 9,394	\$ 16,943
June 30, 2022	\$ 571	\$ 827	\$ 1,039	\$ 4,294	\$ 7,937	\$ 14,668

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Notes to Consolidated Interim Financial Statements

(Tabular amounts expressed in thousands of Canadian dollars, unless otherwise indicated)

Three months ended June 30, 2022, with comparative information for 2021

8. Intangible assets:

	Software systems	Software systems under development	Cadastral fabric	Total
Cost:				
Balance, April 1, 2021	\$ 58,363	\$ 2,185	\$ 10,554	\$ 71,102
Additions	-	1,273	-	1,273
Transfers	2,487	(2,487)	-	-
Balance, June 30, 2021	\$ 60,850	\$ 971	\$ 10,554	\$ 72,375
Balance, April 1, 2022	\$ 62,635	\$ 642	\$ 10,554	\$ 73,831
Additions	-	1,089	-	1,089
Transfers	534	(534)	-	-
Balance, June 30, 2022	\$ 63,169	\$ 1,197	\$ 10,554	\$ 74,920
Amortization:				
Balance, April 1, 2021	\$ (43,686)	\$ -	\$ (3,156)	\$ (46,842)
Amortization	(1,169)	-	(176)	(1,345)
Balance, June 30, 2021	\$ (44,855)	\$ -	\$ (3,332)	\$ (48,187)
Balance, April 1, 2022	\$ (48,147)	\$ -	\$ (3,860)	\$ (52,007)
Amortization	(986)	-	(175)	(1,161)
Balance, June 30, 2022	\$ (49,133)	\$ -	\$ (4,035)	\$ (53,168)
Net book value:				
June 30, 2021	\$ 15,995	\$ 971	\$ 7,222	\$ 24,188
June 30, 2022	\$ 14,036	\$ 1,197	\$ 6,519	\$ 21,752

Intangible asset additions are internally generated and include payments to third party software developers. Software systems under development are primarily costs to enhance the LTSA's underlying ASTRA ("Automated Survey and Title Registration Application") technology, align survey plan submission, and build back office solutions to increase automation and reduce processing defects.

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Notes to Consolidated Interim Financial Statements

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Three months ended June 30, 2022, with comparative information for 2021

9. Employee benefits:

The following amounts represent the LTSA's obligations to its current and former employees that are expected to be settled during the next twelve months:

	June 30, 2022	March 31, 2022
Salaries payable	\$ 1,481	\$ 2,259
Employee leave liability	1,179	1,180
Superannuation and group RRSP benefits	151	179
	\$ 2,811	\$ 3,618

Public service pension plan:

The LTSA paid \$252 (2021: \$238) for employer contributions to the plan during the quarter which represents 0.1% of the total plan contributions.

Retirement benefit:

LandSure and Autoprop contributed up to 6.0% of employees' base salaries to group registered retirement savings plans. The amount recognized as an expense for the quarter ended June 30, 2022 was \$158 (2021: \$92).

10. Contract liabilities:

Contract liabilities represents cash received from customers in excess of revenue recognized on incomplete contracts, more specifically relating to subscription contracts, software as a service fees for property tax deferral, as well as unprocessed examination services at period end. Examination services processing times are outlined in the LTSA's Operating Agreement performance targets.

	2022	2021
Balance, April 1	\$ 1,271	\$ 1,194
Additions to contract liabilities	1,251	1,581
Revenue recognized during the period	(1,066)	(1,032)
Balance, June 30	\$ 1,456	\$ 1,743

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11. Lease liabilities:

The LTSA incurs lease payments for certain assets under lease agreements consisting primarily of office buildings and office equipment.

The leases have interest rates ranging from 3.95% to 4.45% per annum and expire between March 2022 and September 2033.

	2022	2021
Balance, April 1	\$ 10,209	\$ 11,816
Payments	(600)	(632)
Interest	95	112
Balance, June 30	\$ 9,704	\$ 11,296
Amount due for settlements within 12 months	\$ 2,076	\$ 2,089
Amount due for settlements after 12 months	7,628	9,207
Total	\$ 9,704	\$ 11,296

12. Related party transactions:

Province of British Columbia:

The Province of British Columbia provincial ministries, central agencies and certain other organizations are exempt from the payment of LTSA fees. During the quarter ended June 30, 2022, the LTSA provided services to these organizations which, if assessed fees at the usual rates applicable to other entities, would have resulted in additional revenues of \$5,192 (2021: \$4,322).

Products and services acquired from the province for the quarter ended June 30, 2022 totaled \$73 (2021: \$141).

Real property taxation authorities:

Various real property taxation authorities are entitled to use the land title system free of charge for the administration of the taxation of real property. During the quarter ended June 30, 2022, the LTSA provided services to these authorities which, if assessed fees at the usual rates applicable to other entities, would have resulted in additional revenues of \$140 (2021: \$171).