

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

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

Three and nine months ended December 31, 2023 and 2022  
(Unaudited)

# LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

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

	December 31, 2023	March 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 6)	\$ 14,682	\$ 18,095
Investments (note 7)	73,823	70,342
Funds held for customers	4,764	4,764
Trade and other receivables	838	445
Prepaid expenses	1,235	1,237
	<b>95,342</b>	<b>94,883</b>
Property and equipment (note 8)	13,048	12,379
Intangible assets (note 9)	26,237	21,602
Long-term investments (note 7)	4,500	3,000
Goodwill	1,910	1,910
	<b>45,695</b>	<b>38,891</b>
	<b>\$ 141,037</b>	<b>\$ 133,774</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Trade and other payables	\$ 2,359	\$ 1,933
Customer deposits held	4,764	4,764
Provisions	473	473
Employee benefits (note 10)	3,993	4,120
Contract liabilities (note 11)	1,055	1,048
Current lease liabilities (note 12)	2,065	2,115
	<b>14,709</b>	<b>14,453</b>
Deferred tax liabilities	265	277
Lease liabilities (note 12)	8,146	6,038
	<b>8,411</b>	<b>6,315</b>
	<b>23,120</b>	<b>20,768</b>
<b>Equity:</b>		
Retained earnings	117,917	113,006
	<b>\$ 141,037</b>	<b>\$ 133,774</b>

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 and nine months ended December 31, 2023, with comparative information for 2022

	Three Months		Nine Months	
	2023	2022	2023	2022
Revenue:				
Examination services	\$ 5,373	\$ 7,470	\$ 17,872	\$ 22,303
Information products and subscriptions	4,031	4,041	13,650	13,756
Service fees	2,195	2,098	7,034	7,067
	11,599	13,609	38,556	43,126
Cost of revenue (note 4):				
Cost of examination services	5,457	5,948	16,492	17,591
Cost of information products and subscriptions	1,345	1,466	4,065	4,336
Cost of service fees	884	963	2,671	2,848
	7,686	8,377	23,228	24,775
Gross income	3,913	5,232	15,328	18,351
Operating expenses (note 4):				
Research and development	1,442	1,788	3,916	3,665
Policy and regulation	1,139	1,099	3,469	3,158
General and administrative	2,122	2,285	6,452	6,908
	4,703	5,172	13,837	13,731
Operating income (loss)	(790)	60	1,491	4,620
Other income (expenses)				
Lease interest	(64)	(85)	(207)	(269)
Bank charges and investment fees	(64)	(67)	(202)	(207)
Investment income (note 5)	3,093	2,474	4,505	284
Loss on disposal of property and equipment	(15)	(26)	(15)	(26)
	2,950	2,296	4,081	(218)
Income before income taxes	2,160	2,356	5,572	4,402
Income tax expense (recovery):				
Current	87	245	672	913
Deferred	(1)	(1)	(11)	(40)
	86	244	661	873
Net income and comprehensive income	\$ 2,074	\$ 2,112	\$ 4,911	\$ 3,529

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)

Nine months ended December 31, 2023, with comparative information for 2022

	Unappropriated retained earnings	Assurance Fund reserve	Total retained earnings
Balance, April 1, 2022	\$ 104,900	\$ 6,000	\$ 110,900
Net income and comprehensive income	3,529	-	3,529
Balance, December 31, 2022	\$ 108,429	\$ 6,000	\$ 114,429
Balance, April 1, 2023	\$ 107,006	\$ 6,000	\$ 113,006
Net income and comprehensive income	4,911	-	4,911
Balance, December 31, 2023	\$ 111,917	\$ 6,000	\$ 117,917

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 and nine months ended December 31, 2023, with comparative information for 2022

	Three Months		Nine Months	
	2023	2022	2023	2022
Cash flow from operating activities:				
Cash received for:				
Fees	\$ 11,352	\$ 13,816	\$ 38,441	\$ 43,314
Fees collected on behalf of the Province of BC	7,867	8,247	26,952	29,918
Fees collected on behalf of other parties	3,300	2,715	11,082	11,241
Interest	279	167	786	309
	22,798	24,945	77,261	84,782
Cash paid for:				
Salaries and benefits	(5,262)	(5,377)	(19,345)	(18,972)
Goods and services	(2,799)	(4,023)	(10,225)	(14,809)
Sales and income taxes	(596)	(600)	(1,741)	(2,537)
Fees submitted to the Province of BC	(8,008)	(8,462)	(27,061)	(30,175)
Fees submitted to other parties	(3,327)	(2,763)	(11,102)	(11,292)
	(19,992)	(21,225)	(69,474)	(77,785)
Total cash flow from operating activities	2,806	3,720	7,787	6,997
Cash flow from financing activities:				
Repayment of finance lease obligations	(533)	(515)	(1,578)	(1,533)
Lease interest	(64)	(85)	(207)	(269)
	(597)	(600)	(1,785)	(1,802)
Cash flow from investing activities:				
Purchase of investments	(27,247)	(3,969)	(55,235)	(20,302)
Proceeds from sale or maturity of investments	26,421	1,248	53,520	13,646
Purchase of long-term investment	(1,500)	-	(1,500)	(3,000)
Interest and dividend proceeds	1,122	1,084	1,933	1,851
Purchase of property and equipment, net	(68)	(133)	(146)	(432)
Purchase of intangible assets	(3,014)	(589)	(7,987)	(2,726)
	(4,286)	(2,359)	(9,415)	(10,963)
Net increase (decrease) in cash and cash equivalents	(2,077)	761	(3,413)	(5,768)
Cash and cash equivalents, beginning of period	16,759	19,938	18,095	26,467
Cash and cash equivalents, end of period	\$ 14,682	\$ 20,699	\$ 14,682	\$ 20,699

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 and nine months ended December 31, 2023, with comparative information for 2022

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## 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. The last operating review was performed in 2015.

## 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 do not include all the information required for full annual financial statements and should be read in conjunction with the LTSA's consolidated financial statements for the year ended March 31, 2023 which are included in the LTSA's 2023 financial report. The consolidated interim financial statements were authorized for issue on February 21, 2024 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, 2023, except as noted below. Those accounting policies have been used throughout all periods presented in the interim consolidated financial statements and are prepared in accordance with IFRS.

### Reclassification

Interest and dividends received in the prior period Consolidated Interim Statement of Cash Flows have been reclassified from cash flow from operating activity to cash flow from investing activity to conform with the presentation of the current period 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 and nine months ended December 31, 2023, with comparative information for 2022

### 4. Expenses:

	Three Months		Nine Months	
	2023	2022	2023	2022
<b>Expenses by nature:</b>				
Salaries and benefits	\$ 6,392	\$ 6,410	\$ 19,150	\$ 19,153
Information services	1,382	2,148	4,617	5,728
Office and business expenses	768	902	2,229	2,424
Building occupancy	412	372	1,206	1,153
Professional fees	1,223	1,662	3,289	3,793
Amortization of assets	2,212	2,055	6,574	6,255
	<b>\$ 12,389</b>	<b>\$ 13,549</b>	<b>\$ 37,065</b>	<b>\$ 38,506</b>
<b>Expenses per Statement of Comprehensive Income:</b>				
Cost of revenue	\$ 7,686	\$ 8,377	\$ 23,228	\$ 24,775
Operating expenses	4,703	5,172	13,837	13,731
	<b>\$ 12,389</b>	<b>\$ 13,549</b>	<b>\$ 37,065</b>	<b>\$ 38,506</b>

### 5. Investment income (loss):

	Three Months		Nine Months	
	2023	2022	2023	2022
Interest and dividend income	\$ 1,399	\$ 1,276	\$ 2,737	\$ 2,234
Change in fair value of investments	1,591	1,198	1,669	(1,843)
Gain (loss) on disposal of investments	103	-	99	(107)
	<b>\$ 3,093</b>	<b>\$ 2,474</b>	<b>\$ 4,505</b>	<b>\$ 284</b>

# 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 and nine months ended December 31, 2023, with comparative information for 2022

### 6. Cash and cash equivalents:

	December 31, 2023	March 31, 2023
Cash in bank and on hand	\$ 14,587	\$ 18,095
Cash equivalents	95	-
	\$ 14,682	\$ 18,095

Included in cash in bank and on hand are fees payable to the Province of British Columbia of \$50 (March 31, 2023: \$159) and other fees payable of \$22 (March 31, 2023: \$43).

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.

### 7. Financial Risk Management:

Fair value of financial instruments:

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.



# 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 and nine months ended December 31, 2023, with comparative information for 2022

### 7. Financial Risk Management (continued):

The following tables present the financial instruments recorded at fair value in the consolidated statements of financial position classified using the fair value hierarchy described above:

Financial assets	Level 1	Level 2	Level 3	December 31, 2023
Investments:				
Pooled equity funds	\$ 24,112	\$ -	\$ -	\$ 24,112
Bonds	-	49,711	-	49,711
Long-Term Investments	-	4,500	-	4,500
	\$ 24,112	\$ 54,211	\$ -	\$ 78,323

Financial assets	Level 1	Level 2	Level 3	March 31, 2023
Investments:				
Pooled equity funds	\$ 22,283	\$ -	\$ -	\$ 22,283
Bonds	-	48,059	-	48,059
Long-Term Investment	-	3,000	-	3,000
	\$ 22,283	\$ 51,059	\$ -	\$ 73,342

During the quarter, no transfers occurred between levels.

Pooled equity funds are traded on an over-the-counter market and are valued at their closing bid price on the valuation date. Where a bid price is not available, they are valued at the closing sale price on the valuation date. Short-term notes and bonds which have quoted prices available but are not traded in an active market have been classified as Level 2 in the fair value hierarchy.

The long-term investments are comprised of an equity investment in a real estate venture builder partnership, as well as an equity investment in a building and development software company by LandSure. The investments have been classified as Level 2 investments in the fair value hierarchy using recent observable market transactions for the same securities. LandSure intends to hold these investments for an indeterminate period.

Due to their short-term nature, the carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value: cash and cash equivalents, funds held for customers, trade and other receivables, trade and other payables and other liabilities and provisions. These financial assets and liabilities are measured at amortized cost in 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 and nine months ended December 31, 2023, with comparative information for 2022

### 8. Property and equipment:

	Vault storage systems	Technical equipment	Office furniture and equipment	Leasehold improvements	Right of use assets	Total
<b>Cost:</b>						
Balance, April 1, 2022	\$ 1,239	\$ 3,170	\$ 3,336	\$ 9,291	\$ 13,859	\$ 30,895
Additions	9	308	32	95	-	444
Disposals	(25)	(288)	(543)	-	-	(856)
Balance, Dec 31, 2022	\$ 1,223	\$ 3,190	\$ 2,825	\$ 9,386	\$ 13,859	\$ 30,483
Balance, April 1, 2023	\$ 1,223	\$ 3,359	\$ 2,825	\$ 9,451	\$ 13,859	\$ 30,717
Additions	-	150	4	-	3,385	3,539
Disposals	-	(127)	(40)	(351)	(308)	(826)
<b>Balance, Dec 31, 2023</b>	<b>\$ 1,223</b>	<b>\$ 3,382</b>	<b>\$ 2,789</b>	<b>\$ 9,100</b>	<b>\$ 16,936</b>	<b>\$ 33,430</b>
<b>Amortization:</b>						
Balance, April 1, 2022	\$ (639)	\$ (2,387)	\$ (2,237)	\$ (4,725)	\$ (5,455)	\$ (15,443)
Amortization	(86)	(299)	(211)	(818)	(1,401)	(2,815)
Disposals	25	282	543	-	-	850
Balance, Dec 31, 2022	\$ (700)	\$ (2,404)	\$ (1,905)	\$ (5,543)	\$ (6,856)	\$ (17,408)
Balance, April 1, 2023	\$ (728)	\$ (2,502)	\$ (1,968)	\$ (5,817)	\$ (7,323)	\$ (18,338)
Amortization	(83)	(314)	(176)	(831)	(1,390)	(2,794)
Disposals	-	122	36	327	265	750
<b>Balance, Dec 31, 2023</b>	<b>\$ (811)</b>	<b>\$ (2,694)</b>	<b>\$ (2,108)</b>	<b>\$ (6,321)</b>	<b>\$ (8,448)</b>	<b>\$ (20,382)</b>
<b>Net book value:</b>						
December 31, 2022	\$ 523	\$ 786	\$ 920	\$ 3,843	\$ 7,003	\$ 13,075
<b>December 31, 2023</b>	<b>\$ 412</b>	<b>\$ 688</b>	<b>\$ 681</b>	<b>\$ 2,779</b>	<b>\$ 8,488</b>	<b>\$ 13,048</b>

# 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 and nine months ended December 31, 2023, with comparative information for 2022

### 9. Intangible assets:

	Software systems	Software systems under development	Cadastral fabric	Total
<b>Cost:</b>				
Balance, April 1, 2022	\$ 62,635	\$ 642	\$ 10,554	\$ 73,831
Additions	-	3,603	-	3,603
Transfers	758	(758)	-	-
Disposals	(240)	(764)	-	(1,004)
Balance, Dec 31, 2022	\$ 63,153	\$ 2,723	\$ 10,554	\$ 76,430
Balance, April 1, 2023	\$ 65,741	\$ 1,657	\$ 10,554	\$ 77,952
Additions	8	8,407	-	8,415
Transfers	3,106	(3,106)	-	-
Disposals	(14)	-	-	(14)
<b>Balance, Dec 31, 2023</b>	<b>\$ 68,841</b>	<b>\$ 6,958</b>	<b>\$ 10,554</b>	<b>\$ 86,353</b>
<b>Amortization:</b>				
Balance, April 1, 2022	\$ (48,147)	\$ -	\$ (3,860)	\$ (52,007)
Amortization	(2,916)	-	(525)	(3,441)
Disposals	212	-	-	212
Balance, Dec 31, 2022	\$ (50,851)	\$ -	\$ (4,385)	\$ (55,236)
Balance, April 1, 2023	\$ (51,790)	\$ -	\$ (4,560)	\$ (56,350)
Amortization	(3,255)	-	(525)	(3,780)
Disposals	14	-	-	14
<b>Balance, Dec 31, 2023</b>	<b>\$ (55,031)</b>	<b>\$ -</b>	<b>\$ (5,085)</b>	<b>\$ (60,116)</b>
<b>Net book value:</b>				
December 31, 2022	\$ 12,302	\$ 2,723	\$ 6,169	\$ 21,194
<b>December 31, 2023</b>	<b>\$ 13,810</b>	<b>\$ 6,958</b>	<b>\$ 5,469</b>	<b>\$ 26,237</b>

Intangible asset additions are internally generated and include payments to third party software developers. Software systems under development are primarily costs to align survey plan submission, develop the LTSA's underlying platform services technology, and build back office solutions to increase automation and reduce processing defects.

# 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 and nine months ended December 31, 2023, with comparative information for 2022

### 10. 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:

	December 31, 2023	March 31, 2023
Salaries payable	\$ 2,860	\$ 3,113
Employee leave liability	978	893
Superannuation and group RRSP benefits	155	114
	<b>\$ 3,993</b>	<b>\$ 4,120</b>

### Public service pension plan:

The LTSA paid \$270 and \$815 for employer contributions to the plan during the three and nine months ended December 31, 2023 which represents 0.1% of the total plan contributions (2022: \$262 and \$777).

### Retirement benefit:

LandSure contributed up to 6.0% of employees' base salaries to group registered retirement savings plans. The amount recognized as an expense for the three and nine months ended December 31, 2023 was \$137 and \$410 (2022: \$129 and \$379).

### 11. 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. The majority of contract liabilities are expected to be realized within a period of 12 months.

	2023	2022
Balance, April 1	\$ 1,048	\$ 1,271
Additions to contract liabilities	970	1,066
Revenue recognized during the periods	(963)	(1,205)
Balance, December 31	<b>\$ 1,055</b>	<b>\$ 1,132</b>

# 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 and nine months ended December 31, 2023, with comparative information for 2022

### 12. 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 3.10% to 7.69% per annum and expire between August 2025 and August 2034.

	2023	2022
Balance, April 1	\$ 8,154	\$ 10,210
Additions	3,685	-
Payments	(1,785)	(1,803)
Derecognition	(50)	-
Interest	207	269
Balance, December 31	\$ 10,211	\$ 8,676
Amount due for settlements within 12 months	\$ 2,065	\$ 2,104
Amount due for settlements after 12 months	8,146	6,572
Total	\$ 10,211	\$ 8,676

The LTSA made payments of \$597 (2022: \$600) and derecognized lease liability of \$50 (2022: 0). Interest was \$64 (2022: \$85) during the three months.

### 13. 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 three and nine months ended December 31, 2023, 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 \$4,834 and \$17,254 respectively (2022: \$2,414 and \$12,598).

Products and services acquired from the province for the three and nine months ended December 31, 2023 totaled \$67 and \$190 (2022: \$55 and \$177).

#### 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 three and nine months ended December 31, 2023, 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 \$197 and \$687 respectively (2022: \$195 and \$565).