

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

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

Three months ended June 30, 2024 and 2023
(Unaudited)

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

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

	June 30, 2024	March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents (note 6)	\$ 16,302	\$ 15,350
Investments (note 7)	76,479	75,996
Funds held for customers	4,890	4,823
Trade and other receivables	1,356	1,323
Prepaid expenses	1,065	1,212
	100,092	98,704
Property and equipment (note 8)	11,867	12,631
Intangible assets (note 9)	27,869	27,421
Long-term investments (note 7)	4,500	4,500
Goodwill	1,910	1,910
	46,146	46,462
	\$ 146,238	\$ 145,166
Liabilities and Equity		
Current liabilities:		
Trade and other payables	\$ 2,944	\$ 2,755
Customer deposits held	4,890	4,823
Provisions	817	487
Employee benefits (note 10)	4,251	4,882
Contract liabilities (note 11)	2,177	1,861
Current lease liabilities (note 12)	2,051	2,064
	17,130	16,872
Deferred tax liabilities	731	801
Contract liabilities (note 11)	1,145	1,337
Lease liabilities (note 12)	7,454	7,965
	9,330	10,103
	26,460	26,975
Equity:		
Retained earnings	119,778	118,191
	\$ 146,238	\$ 145,166

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, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Examination services	\$ 6,730	\$ 5,761
Information products and subscriptions	5,158	4,779
Service fees	3,525	2,345
	15,413	12,885
Cost of revenue (note 4):		
Cost of examination services	5,432	5,581
Cost of information products and subscriptions	1,339	1,376
Cost of service fees	1,801	904
	8,572	7,861
Gross income	6,841	5,024
Operating expenses (note 4):		
Research and development	1,772	1,212
Policy and regulation	1,545	1,181
General and administrative	2,298	2,177
	5,615	4,570
Operating income	1,226	454
Other income (expenses):		
Lease interest	(55)	(74)
Bank charges and investment fees	(68)	(68)
Investment income (note 5)	836	986
	713	844
Income before income taxes	1,939	1,298
Income tax expense (recovery):		
Current	423	276
Deferred	(70)	102
	353	378
Net income and comprehensive income	\$ 1,586	\$ 920

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, 2024, with comparative information for 2023

	Unappropriated retained earnings	Assurance Fund reserve	Total retained earnings
Balance, April 1, 2023	\$ 107,006	\$ 6,000	\$ 113,006
Net income and comprehensive income	920	-	920
Balance, June 30, 2023	\$ 107,926	\$ 6,000	\$ 113,926
Balance, April 1, 2024	\$ 112,192	6,000	118,192
Net income and comprehensive income	1,586	-	1,586
Balance, June 30, 2024	\$ 113,778	\$ 6,000	\$ 119,778

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, 2024, with comparative information for 2023

	2024	2023
Cash flow from operating activities:		
Cash received for:		
Fees	\$ 15,519	\$ 13,147
Fees collected on behalf of the Province of BC	9,511	9,199
Fees collected on behalf of other parties	4,910	3,768
Interest	277	232
	30,217	26,346
Cash paid for:		
Salaries and benefits	(7,645)	(7,888)
Goods and services	(3,606)	(3,711)
Sales and income taxes	(686)	(681)
Fees submitted to the Province of BC	(9,537)	(9,164)
Fees submitted to other parties	(4,906)	(3,759)
	(26,380)	(25,203)
Total cash flow from operating activities	3,837	1,143
Cash flow from financing activities:		
Repayment of finance lease obligations	(524)	(520)
Lease interest	(55)	(74)
	(579)	(594)
Cash flow from investing activities:		
Purchase of investments	(7,263)	(17,908)
Proceeds from sale or maturity of investments	6,889	17,744
Interest and dividends received	340	475
Purchase of property and equipment, net	(111)	(26)
Purchase of intangible assets	(2,161)	(2,399)
	(2,306)	(2,114)
Net increase (decrease) in cash and cash equivalents	952	(1,565)
Cash and cash equivalents, beginning of period	15,350	18,095
Cash and cash equivalents, end of period	\$ 16,302	\$ 16,530

See accompanying notes to the consolidated interim financial statements.

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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, 2024, with comparative information for 2023

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 beginning in 2005, 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 IFRS Accounting Standards ("IFRS"). 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, 2024 which are included in the LTSA's 2024 financial report. The consolidated interim financial statements were authorized for issue on September 26, 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, 2024. Those accounting policies have been used throughout all periods presented in the interim consolidated financial statements and are prepared in accordance with IFRS.

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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, 2024, with comparative information for 2023

4. Expenses:

	2024	2023
Expenses by nature:		
Salaries and benefits	\$ 7,010	\$ 6,633
Information services	1,752	1,693
Office and business expenses	1,128	755
Building occupancy	359	394
Professional fees	1,429	791
Amortization of assets	2,509	2,165
	\$ 14,187	\$ 12,431
Expenses, per Statement of Comprehensive Income:		
Cost of revenue	\$ 8,572	\$ 7,861
Operating expenses	5,615	4,570
	\$ 14,187	\$ 12,431

5. Investment income:

	2024	2023
Interest and dividend income	\$ 626	\$ 655
Change in fair value of investments	112	331
Gain on disposal of investments	98	-
	\$ 836	\$ 986

6. Cash and cash equivalents:

	June 30, 2024	March 31, 2024
Cash in bank and on hand	\$ 16,302	\$ 15,176
Cash equivalents	-	174
	\$ 16,302	\$ 15,350

Included in cash in bank and on hand are fees payable to the Province of British Columbia of \$185 (March 31, 2024: \$211) and other fees payable of \$69 (March 31, 2024: \$64).

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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Three months ended June 30, 2024, with comparative information for 2023

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.

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	June 30, 2024
Investments:				
Pooled equity funds	\$ 24,215	\$ -	\$ -	\$ 24,215
Bonds	-	52,264	-	52,264
Long-term investments	-	4,500	-	4,500
	\$ 24,215	\$ 56,764	\$ -	\$ 80,979

Financial assets	Level 1	Level 2	Level 3	March 31, 2024
Investments:				
Pooled equity funds	\$ 24,264	\$ -	\$ -	\$ 24,264
Bonds	-	51,732	-	51,732
Long-term investments	-	4,500	-	4,500
	\$ 24,264	\$ 56,232	\$ -	\$ 80,496

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 a 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.

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Notes to Consolidated Interim Financial Statements

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Three months ended June 30, 2024, with comparative information for 2023

8. Property and equipment:

	Vault storage systems	Technical equipment	Office furniture and equipment	Leasehold improvements	Right of use assets	Total
Cost:						
Balance, April 1, 2023	\$ 1,223	\$ 3,359	\$ 2,825	\$ 9,451	\$ 13,859	\$ 30,717
Additions	-	31	-	-	-	31
Disposals	-	-	-	(5)	-	(5)
Balance, June 30, 2023	\$ 1,223	\$ 3,390	\$ 2,825	\$ 9,446	\$ 13,859	\$ 30,743
Balance, April 1, 2024	\$ 1,240	\$ 3,505	\$ 2,728	\$ 9,104	\$ 17,273	\$ 33,850
Additions	7	92	-	13	-	112
Disposals	-	(2)	-	-	-	(2)
Balance, June 30, 2024	\$ 1,247	\$ 3,595	\$ 2,728	\$ 9,117	\$ 17,273	\$ 33,960
Amortization:						
Balance, April 1, 2023	\$ (728)	\$ (2,502)	\$ (1,968)	\$ (5,817)	\$ (7,323)	\$ (18,338)
Amortization	(28)	(109)	(63)	(277)	(467)	(944)
Disposals	-	-	-	-	-	-
Balance, June 30, 2023	\$ (756)	\$ (2,611)	\$ (2,031)	\$ (6,094)	\$ (7,790)	\$ (19,282)
Balance, April 1, 2024	\$ (829)	\$ (2,782)	\$ (2,126)	\$ (6,589)	\$ (8,893)	\$ (21,219)
Amortization	(28)	(94)	(52)	(257)	(445)	(876)
Disposals	-	2	-	-	-	2
Balance, June 30, 2024	\$ (857)	\$ (2,874)	\$ (2,178)	\$ (6,846)	\$ (9,338)	\$ (22,093)
Net book value:						
June 30, 2023	\$ 467	\$ 779	\$ 794	\$ 3,352	\$ 6,069	\$ 11,461
June 30, 2024	\$ 390	\$ 721	\$ 550	\$ 2,271	\$ 7,935	\$ 11,867

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Notes to Consolidated Interim Financial Statements

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Three months ended June 30, 2024, with comparative information for 2023

9. Intangible assets:

	Software systems	Software systems under development	Cadastral fabric	Total
Cost:				
Balance, April 1, 2023	\$ 65,741	\$ 1,657	\$ 10,554	\$ 77,952
Additions	8	3,136	-	3,144
Transfers	1,089	(1,089)	-	-
Balance, June 30, 2023	\$ 66,838	\$ 3,704	\$ 10,554	\$ 81,096
Balance, April 1, 2024	\$ 71,473	\$ 7,206	\$ 10,554	\$ 89,233
Additions	-	2,080	-	2,080
Transfers	6,510	(6,510)	-	-
Balance, June 30, 2024	\$ 77,983	\$ 2,776	\$ 10,554	\$ 91,313
Amortization:				
Balance, April 1, 2023	\$ (51,790)	\$ -	\$ (4,560)	\$ (56,350)
Amortization	(1,047)	-	(175)	(1,222)
Balance, June 30, 2023	\$ (52,837)	\$ -	\$ (4,735)	\$ (57,572)
Balance, April 1, 2024	\$ (56,552)	\$ -	\$ (5,260)	\$ (61,812)
Amortization	(1,457)	-	(175)	(1,632)
Balance, June 30, 2024	\$ (58,009)	\$ -	\$ (5,435)	\$ (63,444)
Net book value:				
June 30, 2023	\$ 14,001	\$ 3,704	\$ 5,819	\$ 23,524
June 30, 2024	\$ 19,974	\$ 2,776	\$ 5,119	\$ 27,869

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.

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Three months ended June 30, 2024, with comparative information for 2023

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:

	June 30, 2024	March 31, 2024
Salaries payable	\$ 2,707	\$ 3,788
Employee leave liability	1,381	978
Superannuation and group RRSP benefits	163	116
	\$ 4,251	\$ 4,882

Public service pension plan:

The LTSA paid \$274 (2023: \$271) for employer contributions to the plan during the quarter which represents 0.1% of the total plan contributions.

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 quarter ended June 30, 2024 was \$143 (2023: \$136).

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 and for the First Nations Land Governance Registry, 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.

	2024	2023
Balance, April 1	\$ 3,198	\$ 1,048
Additions to contract liabilities	1,125	1,140
Revenue recognized during the period	(1,001)	(783)
Balance, June 30	\$ 3,322	\$ 1,405
Amount due for settlements within 12 months	\$ 2,177	\$ 1,405
Amount due for settlements after 12 months	1,145	-
Total	\$ 3,322	\$ 1,045

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

Three months ended June 30, 2024, with comparative information for 2023

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 3.95% to 7.69% per annum and expire between August 2025 and August 2034.

	2024	2023
Balance, April 1	\$ 10,029	\$ 8,154
Payments	(579)	(595)
Interest	55	74
Balance, June 30	\$ 9,505	\$ 7,633
Amount due for settlements within 12 months	\$ 2,051	\$ 2,139
Amount due for settlements after 12 months	7,454	5,494
Total	\$ 9,505	\$ 7,633

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 quarter ended June 30, 2024, 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 \$6,332 (2023: \$6,550).

Products and services acquired from the province for the quarter ended June 30, 2024 totaled \$76 (2023: \$51).

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, 2024, 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 \$268 (2023: \$230).