

Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

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

Three and six months ended September 30, 2017 and 2016
(Unaudited)

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in Canadian dollars)

Three and six months ended September 30, 2017, with comparative information for 2016

	Three Months		Six Months	
	2017	2016	2017	2016
Revenue (note 4)	\$ 11,591,273	\$ 11,841,936	\$ 22,484,023	\$ 23,858,174
Expenses:				
Salaries and benefits	3,651,578	3,329,316	7,407,428	6,742,558
Information services	880,182	819,226	1,702,115	1,634,734
Office and business expenses	395,484	397,018	947,022	909,860
Building occupancy	819,171	803,662	1,630,308	1,594,056
Professional fees	374,319	372,266	715,158	755,882
Amortization	1,834,821	1,660,999	3,620,589	3,250,213
	7,955,555	7,382,487	16,022,620	14,887,303
Operating income	3,635,718	4,459,449	6,461,403	8,970,871
Other income (expenses):				
Bank charges, interest and investment fees	(28,258)	(28,700)	(56,706)	(56,933)
Interest income	138,448	140,367	228,050	262,846
(Loss) gain on disposal of property and equipment	(275)	760	125	915
	109,915	112,427	171,469	206,828
Income and comprehensive income before income taxes	3,745,633	4,571,876	6,632,872	9,177,699
Income tax expense (recovery) (note 10):				
Current	202,892	193,989	392,193	399,242
Deferred	(41,283)	(13,787)	(83,299)	(33,529)
	161,609	180,202	308,894	365,713
Net income and comprehensive income	\$ 3,584,024	\$ 4,391,674	\$ 6,323,978	\$ 8,811,986

See accompanying notes to the condensed consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	September 30, 2017	March 31, 2017
Assets		
Current assets:		
Cash and cash equivalents (note 5)	\$ 37,973,335	\$ 34,350,982
Investments (note 6)	26,936,659	23,721,875
Funds held for customers (note 7)	3,693,902	3,472,488
Trade and other receivables	51,009	40,577
Prepaid expenses	678,677	495,136
	69,333,582	62,081,058
Property and equipment (note 8)	4,058,850	4,393,312
Intangible assets (note 9)	24,977,910	25,148,367
	29,036,760	29,541,679
	\$ 98,370,342	\$ 91,622,737
Liabilities and Equity		
Current liabilities:		
Trade and other payables	\$ 4,763,027	\$ 4,442,401
Customer deposits held (note 7)	3,693,902	3,472,488
Provisions	1,228,887	1,228,887
Employee benefits (note 11)	1,725,652	2,045,863
Deferred revenue	643,729	521,583
Income taxes payable	117,761	258,208
Other current liabilities (note 12)	2,204,710	2,184,963
	14,377,668	14,154,393
Deferred tax liabilities (note 10)	529,435	612,734
Other non-current liabilities (note 13)	329,399	45,748
	858,834	658,482
	15,236,502	14,812,875
Equity:		
Retained earnings	83,133,840	76,809,862
	\$ 98,370,342	\$ 91,622,737

See accompanying notes to the condensed consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian dollars)

Six months ended September 30, 2017, with comparative information for 2016

	Unappropriated retained earnings	Assurance Fund Reserve	Total retained earnings
Balance, April 1, 2016	\$ 59,967,100	\$ 6,000,000	\$ 65,967,100
Net income and comprehensive income	8,811,986	-	8,811,986
Balance, September 30, 2016	\$ 68,779,086	\$ 6,000,000	\$ 74,779,086
Balance, April 1, 2017	\$ 70,809,862	\$ 6,000,000	\$ 76,809,862
Net income and comprehensive income	6,323,978	-	6,323,978
Balance, September 30, 2017	\$ 77,133,840	\$ 6,000,000	\$ 83,133,840

See accompanying notes to the condensed consolidated interim financial statements.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)

Three and six months ended September 30, 2017, with comparative information for 2016

	Three Months		Six Months	
	2017	2016	2017	2016
Cash flow from operating activities:				
Cash received for:				
Fees	\$ 11,530,439	\$ 11,785,090	\$ 22,606,660	\$ 23,944,374
Fees collected on behalf of the Province of BC	11,400,542	11,720,878	22,301,704	23,726,913
Fees collected on behalf of other parties	2,514,987	1,015,549	4,796,302	2,054,909
Interest	145,794	169,105	233,271	293,319
	25,591,762	24,690,622	49,937,937	50,019,515
Cash paid for:				
Salaries and benefits	(3,332,029)	(2,854,350)	(7,727,642)	(6,929,641)
Goods and services	(2,794,938)	(1,900,096)	(5,771,210)	(4,882,700)
Sales and income taxes	(243,564)	(183,190)	(750,339)	(598,613)
Interest	(645)	(386)	(1,357)	(999)
Fees submitted to the Province of BC	(11,407,236)	(11,798,342)	(22,257,206)	(23,714,325)
Fees submitted to other parties	(2,517,842)	(1,019,540)	(4,787,025)	(2,055,023)
	(20,296,254)	(17,755,904)	(41,294,779)	(38,181,301)
Total cash flow from operating activities	5,295,508	6,934,718	8,643,158	11,838,214
Cash flow from financing activities:				
Repayment of finance lease obligation	(7,037)	(3,502)	(14,818)	(10,448)
Cash flow from investing activities:				
Purchase of investments	(3,383,202)	(2,734,309)	(4,983,480)	(2,734,309)
Proceeds from sale or maturity of investments	165,119	-	1,768,695	2,723,689
Purchase of property and equipment	(109,929)	(198,608)	(285,930)	(347,384)
Proceeds from disposal of property and equipment	-	760	400	915
Purchase of intangible assets	(323,649)	(1,406,769)	(1,505,672)	(4,361,160)
	(3,651,661)	(4,338,926)	(5,005,987)	(4,718,249)
Net increase in cash and cash equivalents	1,636,810	2,592,290	3,622,353	7,109,517
Cash and cash equivalents, beginning of period	36,336,525	31,835,877	34,350,982	27,318,650
Cash and cash equivalents, end of period	\$ 37,973,335	\$ 34,428,167	\$ 37,973,335	\$ 34,428,167

See accompanying notes to the condensed consolidated interim financial statements

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

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 lawyers, notaries public and land surveyors 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 unaudited consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the LTSA's consolidated financial statements for the year ended March 31, 2017. These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard 34, *Interim Financial Reporting*. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. These consolidated interim financial statements should be read in conjunction with the LTSA's consolidated financial statements for the year ended March 31, 2017, which are included in the LTSA's 2017 financial report. The consolidated financial statements were authorized for issue on June 9, 2017 by the LTSA's Board of Directors.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

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

Three and six months ended September 30, 2017, with comparative information for 2016

3. Segment information:

The LTSA has three reportable segments:

- Core Business, comprising the operations of the land title and surveyor general divisions;
- myLTSA, a simple electronic and communications portal to LTSA information and services; and
- ParcelMap BC (“PMBC”), a single, complete, trusted and sustainable electronic map of all titled parcels and surveyed provincial Crown land parcels.

The following tables summarize the operating performance of the reportable segments:

Three months ended September 30, 2017	Core Business	myLTSA	PMBC	Total
Revenue	\$ 8,700,523	\$ 1,810,823	\$ 1,079,927	\$ 11,591,273
Expenses:				
Salaries and benefits	2,796,317	617,279	237,982	3,651,578
Information services	412,288	140,363	327,531	880,182
Office and business	346,755	36,515	12,214	395,484
Building occupancy	714,482	65,100	39,589	819,171
Professional fees	314,275	44,870	15,174	374,319
Amortization	1,018,559	270,147	546,115	1,834,821
Total expenses	5,602,676	1,174,274	1,178,605	7,955,555
	3,097,847	636,549	(98,678)	3,635,718
Other income net of expenses	105,040	4,875	-	109,915
Income (loss) and comprehensive income (loss) before income taxes	3,202,887	641,424	(98,678)	3,745,633
Income tax expense (recovery):				
Current	10,953	187,720	4,219	202,892
Deferred	(4,039)	(37,719)	475	(41,283)
	6,914	150,001	4,694	161,609
Net income (loss) and comprehensive income (loss)	\$ 3,195,973	\$ 491,423	(\$ 103,372)	\$ 3,584,024

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Three and six months ended September 30, 2017, with comparative information for 2016

3. Segment information (continued):

Six months ended September 30, 2017	Core Business	myLTSA	PMBC	Total
Revenue	\$ 16,831,436	\$ 3,563,259	\$ 2,089,328	\$ 22,484,023
Expenses:				
Salaries and benefits	5,751,659	1,281,337	374,432	7,407,428
Information services	789,338	266,548	646,229	1,702,115
Office and business	824,634	101,526	20,862	947,022
Building occupancy	1,421,825	129,631	78,852	1,630,308
Professional fees	579,999	104,556	30,603	715,158
Amortization	2,008,964	539,940	1,071,685	3,620,589
Total expenses	11,376,419	2,423,538	2,222,663	16,022,620
	5,455,017	1,139,721	(133,335)	6,461,403
Other income and expenses	164,309	7,160	-	171,469
Income (loss) and comprehensive				
Income (loss) before income taxes	5,619,326	1,146,881	(133,335)	6,632,872
Income tax expense (recovery):				
Current	23,581	359,627	8,985	392,193
Deferred	(7,291)	(76,483)	475	(83,299)
	16,290	283,144	9,460	308,894
Net income (loss) and comprehensive				
Income (loss)	\$ 5,603,036	\$ 863,737	(\$ 142,795)	\$ 6,323,978
Assets	\$ 75,748,961	\$ 6,423,388	\$ 16,197,993	\$ 98,370,342
Liabilities	\$ 6,409,807	\$ 4,806,273	\$ 4,020,422	\$ 15,236,502

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Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

3. Segment information (continued):

Three months ended September 30, 2016	Core Business	myLTSA	PMBC	Total
Revenue	\$ 8,947,770	\$ 1,796,356	\$ 1,097,810	\$ 11,841,936
Expenses:				
Salaries and benefits	2,649,891	543,711	135,714	3,329,316
Information services	474,993	205,653	138,580	819,226
Office and business	366,731	27,902	2,385	397,018
Building occupancy	708,424	73,138	22,100	803,662
Professional fees	331,047	32,147	9,072	372,266
Amortization	974,461	269,171	417,367	1,660,999
Total expenses	5,505,547	1,151,722	725,218	7,382,487
	3,442,223	644,634	372,592	4,459,449
Other income and expenses	111,316	1,111	-	112,427
Income and comprehensive income before income taxes	3,553,539	645,745	372,592	4,571,876
Income tax expense (recovery):				
Current	10,320	179,315	4,354	193,989
Deferred	(3,207)	(10,580)	-	(13,787)
	7,113	168,735	4,354	180,202
Net income and comprehensive income	\$ 3,546,426	\$ 477,010	\$ 368,238	\$ 4,391,674

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(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

3. Segment information (continued):

Six months ended September 30, 2016	Core Business	myLTSA	PMBC	Total
Revenue	\$ 18,017,654	\$ 3,636,523	\$ 2,203,997	\$ 23,858,174
Expenses:				
Salaries and benefits	5,352,386	1,118,913	271,259	6,742,558
Information services	1,001,633	366,877	266,224	1,634,734
Office and business	822,310	80,997	6,553	909,860
Building occupancy	1,404,773	145,349	43,934	1,594,056
Professional fees	670,515	67,509	17,858	755,882
Amortization	1,943,203	534,919	772,091	3,250,213
Total expenses	11,194,820	2,314,564	1,377,919	14,887,303
	6,822,834	1,321,959	826,078	8,970,871
Other income and expenses	204,596	2,232	-	206,828
Income and comprehensive income before income taxes	7,027,430	1,324,191	826,078	9,177,699
Income tax expense (recovery):				
Current	20,714	370,155	8,373	399,242
Deferred	(5,588)	(27,941)	-	(33,529)
	15,126	342,214	8,373	365,713
Net income and comprehensive income	\$ 7,012,304	\$ 981,977	\$ 817,705	\$ 8,811,986
Assets	\$ 65,098,692	\$ 7,056,618	\$ 16,575,815	\$ 88,731,125
Liabilities	\$ 3,946,650	\$ 4,656,852	\$ 5,348,537	\$ 13,952,039

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Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

4. Revenue:

The LTSA's sources of revenue from operations are as follows:

	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Information products	\$ 3,794,277	\$ 3,794,405	\$ 7,609,214	\$ 7,819,926
Examination services	5,986,173	6,251,175	11,311,549	12,401,725
Service fees	1,810,823	1,796,356	3,563,260	3,636,523
	\$ 11,591,273	\$ 11,841,936	\$ 22,484,023	\$ 23,858,174

5. Cash and cash equivalents:

	September 30, 2017	March 31, 2017
Cash in bank and on hand	\$ 36,609,768	\$ 29,768,787
Cash equivalents	1,363,567	4,582,195
	\$ 37,973,335	\$ 34,350,982

Included in cash in bank and on hand is fees payable to the Province of British Columbia of \$279,102 (March 31, 2017: \$234,605) and other fees payable of \$27,995 (March 31, 2017: \$18,717).

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.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

6. Investments:

	September 30, 2017	March 31, 2017
Short-term notes	\$ 2,680,225	\$ 499,092
Bonds	24,256,434	23,222,783
	\$ 26,936,659	\$ 23,721,875

Short-term notes consist of term deposits and commercial paper with maturities extending to one year.

7. Funds held for customers:

At September 30, 2017, LTSA held funds due to customers in the amount of \$3,693,902 (March 31, 2017 - \$3,472,488). The funds held for customers are comprised of cash transferred by customers to the LTSA and held in trust.

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

8. Property and equipment:

	Vault storage systems	Technical equipment	Office furniture and equipment	Leasehold improvements	Total
Cost					
Balance, April 1, 2016	\$ 424,538	\$ 2,619,526	\$ 2,084,140	\$ 4,951,232	\$ 10,079,436
Additions	11,733	48,562	183,472	120,064	363,831
Disposals	-	(5,382)	(86,844)	-	(92,226)
Balance, September 30, 2016	\$ 436,271	\$ 2,662,706	\$ 2,180,768	\$ 5,071,296	\$ 10,351,041
Balance, April 1, 2017	\$ 443,989	\$ 2,815,956	\$ 2,206,163	\$ 5,112,657	\$ 10,578,765
Additions	12,811	115,610	53,180	120,775	302,376
Disposals	(816)	(147,888)	(35,303)	(5,538)	(189,545)
Balance, September 30, 2017	\$ 455,984	\$ 2,783,678	\$ 2,224,040	\$ 5,227,894	\$ 10,691,596
Amortization					
Balance, April 1, 2016	\$ (245,548)	\$ (2,073,150)	\$ (900,308)	\$ (1,952,794)	\$ (5,171,800)
Amortization	(21,091)	(128,879)	(39,860)	(283,177)	(473,007)
Balance, September 30, 2016	\$ (266,639)	\$ (2,202,029)	\$ (940,168)	\$ (2,235,971)	\$ (5,644,807)
Balance, April 1, 2017	\$ (288,377)	\$ (2,298,202)	\$ (1,073,311)	\$ (2,525,563)	\$ (6,185,453)
Amortization	(23,472)	(150,290)	(136,342)	(326,459)	(636,563)
Disposals	816	147,613	35,303	5,538	189,270
Balance, September 30, 2017	\$ (311,033)	\$ (2,300,879)	\$ (1,174,350)	\$ (2,846,484)	\$ (6,632,746)
Net book value					
September 30, 2016	\$ 169,632	\$ 460,677	\$ 1,240,600	\$ 2,835,325	\$ 4,706,234
September 30, 2017	\$ 144,951	\$ 482,799	\$ 1,049,690	\$ 2,381,410	\$ 4,058,850

Included in technical equipment at September 30, 2017 is \$133,140 (March 31, 2017: \$133,140) of equipment held under a finance lease and related accumulated amortization of \$76,298 (March 31, 2017: \$62,276).

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Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

9. Intangible assets:

	Software systems	Software systems under development	Cadastral fabric	Cadastral fabric under development	Total
Cost					
Balance, April 1, 2016	\$ 36,372,646	\$ 3,419,866	\$ 1,742,349	\$ 5,436,561	\$ 46,971,422
Additions	27,814	1,376,941	-	1,530,181	2,934,936
Transfers	4,288,114	(4,288,114)	3,484,698	(3,484,698)	-
Balance, September 30, 2016	\$ 40,688,574	\$ 508,693	\$ 5,227,047	\$ 3,482,044	\$ 49,906,358
Balance, April 1, 2017	\$ 40,737,486	\$ 489,906	\$ 8,377,047	\$ 1,626,776	\$ 51,231,215
Additions	93,832	2,637,807	-	211,278	2,942,917
Transfers	-	-	1,838,054	(1,838,054)	-
Disposals	(39,222)	(129,348)	-	-	(168,570)
Balance, September 30, 2017	\$ 40,792,096	\$ 2,998,365	\$ 10,215,101	\$ -	\$ 54,005,562
Amortization					
Balance, April 1, 2016	\$ (20,468,401)	\$ -	\$ (51,625)	\$ -	\$ (20,520,026)
Amortization	(2,549,464)	-	(135,516)	-	(2,684,980)
Balance, September 30, 2016	\$ (23,017,865)	\$ -	\$ (187,141)	\$ -	\$ (23,205,006)
Balance, April 1, 2017	\$ (25,668,972)	\$ -	\$ (413,876)	\$ -	\$ (26,082,848)
Amortization	(2,658,112)	-	(325,914)	-	(2,984,026)
Disposals	39,222	-	-	-	39,222
Balance, September 30, 2017	\$ (28,287,862)	\$ -	\$ (739,790)	\$ -	\$ (29,027,652)
Net book value					
September 30, 2016	\$ 17,670,709	\$ 508,693	\$ 5,039,906	\$ 3,482,044	\$ 26,701,352
September 30, 2017	\$ 12,504,234	\$ 2,998,365	\$ 9,475,311	\$ -	\$ 24,977,910

Software systems under development are primarily costs to design, build and implement ParcelMap BC and the LTSA's land title and registry system. Cadastral fabric under development is for the costs to design, build and implement ParcelMap BC. The initial build of the cadastral fabric was completed in June 2017.

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Three and six months ended September 30, 2017, with comparative information for 2016

10. Income taxes:

	September 30, 2017	March 31, 2017
Deferred tax liabilities (assets):		
Technical equipment	\$ 3,199	\$ 8,342
Office furniture and equipment	7,585	8,839
Leasehold improvements	(3,519)	(4,122)
Software systems	522,170	599,675
	\$ 529,435	\$ 612,734

The LTSA's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Net earnings before income taxes	\$ 3,745,631	\$ 4,571,876	\$ 6,632,871	\$ 9,177,699
Net tax exempt earnings	(3,072,846)	(3,904,768)	(5,422,871)	(7,811,014)
Net earnings subject to income taxes	\$ 672,785	\$ 667,108	\$ 1,210,000	\$ 1,366,685
Expected income tax expense at the combined tax rate of 26% (2016: 26%)	\$ 174,924	\$ 173,448	\$ 314,600	\$ 355,338
(Decrease) increase in income tax expense resulting from:				
Current tax refunds for prior years	(13,246)	-	(13,246)	-
Other	(69)	6,754	7,540	10,375
	(13,315)	6,754	(5,706)	10,375
Income tax expense	\$ 161,609	\$ 180,202	\$ 308,894	\$ 365,713

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Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

11. Employee benefits:

The liabilities recognized for employee benefits consist of the following amounts:

	September 30, 2017	March 31, 2017
Salaries payable	\$ 947,066	\$ 1,282,774
Employee leave liability	659,946	659,202
Superannuation and group RRSP benefits	118,640	103,887
	\$ 1,725,652	\$ 2,045,863

Public service pension plan:

The LTSA paid \$208,863 and \$405,305 for employer contributions to the plan during the three and six months ended September 30, 2017 (2016: \$190,103 and \$374,362).

LandSure retirement benefit:

LandSure contributes 6.0% of employees' base salaries to a group registered retirement savings plan. The amount recognized as an expense for the three and six months ended September 30, 2017 was \$43,951 and \$88,496 (2016: \$36,423 and \$72,749).

12. Other current liabilities:

The LTSA has a contract with MacDonald Dettweiler and Associates Ltd. ("MDA") to build ParcelMap BC and Project ACE. The LTSA is entitled to hold back 15% from each milestone payment which will be released and paid upon successful completion of the work.

As at September 30, 2017, the current portion of holdbacks payable to MDA was for the ParcelMap BC Project (March 31, 2017: \$2,184,963).

	September 30, 2017	March 31, 2017
Holdbacks payable	\$ 2,204,710	\$ 2,184,963

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Notes to Consolidated Interim Financial Statements

(Unaudited)

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

Three and six months ended September 30, 2017, with comparative information for 2016

13. Other non-current liabilities:

As at September 30, 2017, the non-current portion of holdbacks payable to MDA for Project ACE was \$285,714 (March 31, 2017: nil).

	September 30, 2017	March 31, 2017
Holdbacks payable	\$ 285,714	\$ -
Capital lease obligation	43,685	45,748
	\$ 329,399	\$ 45,748

14. 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 six months ended September 30, 2017, 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 \$1,030,646 and \$1,903,297 (2016 - \$967,258 and \$1,693,587).

Products and services acquired from the province for the three and six months ended September 30, 2017 totalled \$116,630 and \$264,287 (2016 - \$143,561 and \$319,164).

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 six months ended September 30, 2017, 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 \$186,923 and \$353,377 (2016 - \$178,745 and \$336,706).