

Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

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

Three and nine months ended December 31, 2017 and 2016
(Unaudited)

LAND TITLE AND SURVEY AUTHORITY OF BRITISH COLUMBIA

Consolidated Statements of Comprehensive Income
(Unaudited)
(Expressed in Canadian dollars)

Three and nine months ended December 31, 2017, with comparative information for 2016

	Three Months		Nine Months	
	2017	2016	2017	2016
Revenue (note 4)	\$ 11,135,448	\$ 9,696,104	\$ 33,619,470	\$ 33,554,278
Expenses:				
Salaries and benefits	3,699,332	3,388,084	11,106,760	10,130,643
Information services	1,000,411	1,017,008	2,702,527	2,651,743
Office and business expenses	574,284	537,871	1,521,306	1,447,730
Building occupancy	813,151	803,562	2,443,460	2,397,618
Professional fees	735,619	732,664	1,450,777	1,488,547
Amortization	1,844,854	1,717,626	5,465,443	4,967,838
	8,667,651	8,196,815	24,690,273	23,084,119
Operating income	2,467,797	1,499,289	8,929,197	10,470,159
Other income (expenses):				
Bank charges, interest and investment fees	(28,252)	(26,865)	(84,957)	(83,799)
Interest income	257,280	133,072	485,330	395,915
Gain on disposal of property and equipment	1,055	1,730	1,180	2,645
	230,083	107,937	401,553	314,761
Income and comprehensive income before income taxes	2,697,880	1,607,226	9,330,750	10,784,920
Income tax expense (recovery) (note 10):				
Current	138,571	89,122	530,764	488,364
Deferred	(38,555)	(20,429)	(121,854)	(53,958)
	100,016	68,693	408,910	434,406
Net income and comprehensive income	\$ 2,597,864	\$ 1,538,533	\$ 8,921,840	\$ 10,350,514

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)

	December 31, 2017	March 31, 2017
Assets		
Current assets:		
Cash and cash equivalents (note 5)	\$ 45,709,568	\$ 34,350,982
Investments (note 6)	21,965,075	23,721,875
Funds held for customers (note 7)	3,621,661	3,472,488
Trade and other receivables	65,072	40,577
Prepaid expenses	747,501	495,136
	72,108,877	62,081,058
Property and equipment (note 8)	3,783,448	4,393,312
Intangible assets (note 9)	23,963,096	25,148,367
	27,746,544	29,541,679
	\$ 99,855,421	\$ 91,622,737
Liabilities and Equity		
Current liabilities:		
Trade and other payables	\$ 4,831,726	\$ 4,442,401
Customer deposits held (note 7)	3,621,661	3,472,488
Provisions (note 11)	226,291	1,228,887
Employee benefits (note 12)	1,716,661	2,045,863
Deferred revenue	553,203	521,583
Income taxes payable	116,745	258,208
Other current liabilities (note 13)	2,209,402	2,184,963
	13,275,689	14,154,393
Deferred tax liabilities (note 10)	490,880	612,734
Other non-current liabilities (note 14)	357,150	45,748
	848,030	658,482
	14,123,719	14,812,875
Equity:		
Retained earnings	85,731,702	76,809,862
	\$ 99,855,421	\$ 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)

Nine months ended December 31, 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	10,350,514	-	10,350,514
Balance, December 31, 2016	\$ 70,317,614	\$ 6,000,000	\$ 76,317,614
Balance, April 1, 2017	\$ 70,809,862	\$ 6,000,000	\$ 76,809,862
Net income and comprehensive income	8,921,840	-	8,921,840
Balance, December 31, 2017	\$ 79,731,702	\$ 6,000,000	\$ 85,731,702

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 nine months ended December 31, 2017, with comparative information for 2016

	Three Months		Nine Months	
	2017	2016	2017	2016
Cash flow from operating activities:				
Cash received for:				
Fees	\$ 11,044,922	\$ 9,528,278	\$ 33,651,582	\$ 33,472,652
Fees collected on behalf of the Province of BC	9,909,006	9,487,492	32,210,710	33,214,406
Fees collected on behalf of other parties	1,924,427	749,604	6,720,729	2,804,512
Interest	249,226	86,839	482,497	380,155
	23,127,581	19,852,213	73,065,518	69,871,725
Cash paid for:				
Salaries and benefits	(3,708,325)	(3,345,164)	(11,435,967)	(10,274,805)
Goods and services	(4,155,062)	(2,868,868)	(9,926,269)	(7,751,566)
Sales and income taxes	(243,361)	(169,017)	(993,700)	(767,630)
Interest	(564)	(546)	(1,927)	(1,545)
Fees submitted to the Province of BC	(10,100,173)	(9,701,814)	(32,357,379)	(33,416,139)
Fees submitted to other parties	(1,937,493)	(757,613)	(6,724,518)	(2,812,636)
	(20,144,978)	(16,843,022)	(61,439,754)	(55,024,321)
Total cash flow from operating activities	2,982,603	3,009,191	11,625,764	14,847,404
Cash flow from financing activities:				
Repayment of finance lease obligation	(5,693)	(10,360)	(20,511)	(20,808)
Cash flow from investing activities:				
Purchase of investments	(155,563)	(322,811)	(5,139,043)	(3,057,120)
Proceeds from sale or maturity of investments	5,127,150	2,005,352	6,895,842	4,729,042
Purchase of property and equipment	(43,604)	(101,083)	(329,534)	(448,467)
Proceeds from disposal of property and equipment	1,055	1,730	1,455	2,645
Purchase of intangible assets	(169,715)	(1,254,332)	(1,675,387)	(5,615,492)
	4,759,323	328,856	(246,667)	(4,389,392)
Net increase in cash and cash equivalents	7,736,233	3,327,687	11,358,586	10,437,204
Cash and cash equivalents, beginning of period	37,973,335	34,428,167	34,350,982	27,318,650
Cash and cash equivalents, end of period	\$ 45,709,568	\$ 37,755,854	\$ 45,709,568	\$ 37,755,854

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 nine months ended December 31, 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.

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Notes to Consolidated Interim Financial Statements

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

Three and nine months ended December 31, 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 December 31, 2017	Core Business	myLTSA	PMBC	Total
Revenue	\$ 8,606,138	\$ 1,586,427	\$ 942,883	\$ 11,135,448
Expenses:				
Salaries and benefits	2,827,578	625,713	246,041	3,699,332
Information services	549,024	168,512	282,875	1,000,411
Office and business	499,508	59,499	15,277	574,284
Building occupancy	708,604	65,025	39,522	813,151
Professional fees	650,271	40,140	45,208	735,619
Amortization	1,027,166	264,848	552,840	1,844,854
Total expenses	6,262,151	1,223,737	1,181,763	8,667,651
	2,343,987	362,690	(238,880)	2,467,797
Other income net of expenses	223,350	6,733	-	230,083
Income (loss) and comprehensive income (loss) before income taxes	2,567,337	369,423	(238,880)	2,697,880
Income tax expense (recovery):				
Current	13,732	120,487	4,352	138,571
Deferred	(287)	(38,310)	42	(38,555)
	13,445	82,177	4,394	100,016
Net income (loss) and comprehensive income (loss)	\$ 2,553,892	\$ 287,246	(\$ 243,274)	\$ 2,597,864

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Three and nine months ended December 31, 2017, with comparative information for 2016

3. Segment information (continued):

Nine months ended December 31, 2017	Core Business	myLTSA	PMBC	Total
Revenue	\$ 25,437,573	\$ 5,149,686	\$ 3,032,211	\$ 33,619,470
Expenses:				
Salaries and benefits	8,579,236	1,907,052	620,472	11,106,760
Information services	1,338,362	435,060	929,105	2,702,527
Office and business	1,324,143	161,025	36,138	1,521,306
Building occupancy	2,130,430	194,656	118,374	2,443,460
Professional fees	1,230,271	144,696	75,810	1,450,777
Amortization	3,036,130	804,788	1,624,525	5,465,443
Total expenses	17,638,572	3,647,277	3,404,424	24,690,273
	7,799,001	1,502,409	(372,213)	8,929,197
Other income and expenses	387,661	13,892	-	401,553
Income (loss) and comprehensive				
Income (loss) before income taxes	8,186,662	1,516,301	(372,213)	9,330,750
Income tax expense (recovery):				
Current	37,313	480,114	13,337	530,764
Deferred	(7,578)	(114,793)	517	(121,854)
	29,735	365,321	13,854	408,910
Net income (loss) and comprehensive				
Income (loss)	\$ 8,156,927	\$ 1,150,980	(\$ 386,067)	\$ 8,921,840
Assets	\$ 78,125,880	\$ 6,105,492	\$ 15,624,049	\$ 99,855,421
Liabilities	\$ 5,701,689	\$ 4,599,578	\$ 3,822,452	\$ 14,123,719

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Notes to Consolidated Interim Financial Statements

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

Three and nine months ended December 31, 2017, with comparative information for 2016

3. Segment information (continued):

Three months ended December 31, 2016	Core Business	myLTSA	PMBC	Total
Revenue	\$ 7,346,560	\$ 1,450,235	\$ 899,309	\$ 9,696,104
Expenses:				
Salaries and benefits	2,716,813	550,659	120,612	3,388,084
Information services	492,089	195,347	329,572	1,017,008
Office and business	470,872	62,041	4,958	537,871
Building occupancy	708,445	73,017	22,100	803,562
Professional fees	662,104	61,554	9,006	732,664
Amortization	980,717	269,553	467,356	1,717,626
Total expenses	6,031,040	1,212,171	953,604	8,196,815
	1,315,520	238,064	(54,295)	1,499,289
Other income and expenses	105,829	2,108	-	107,937
Income (loss) and comprehensive income (loss) before income taxes	1,421,349	240,172	(54,295)	1,607,226
Income tax expense (recovery):				
Current	11,580	73,370	4,172	89,122
Deferred	(2,385)	(18,044)	-	(20,429)
	9,195	55,326	4,354	68,693
Net income (loss) and comprehensive income (loss)	\$ 1,412,154	\$ 184,846	(\$ 58,467)	\$ 1,538,533

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Three and nine months ended December 31, 2017, with comparative information for 2016

3. Segment information (continued):

Nine months ended December 31, 2016	Core Business	myLTSA	PMBC	Total
Revenue	\$ 25,364,215	\$ 5,086,758	\$ 3,103,305	\$ 33,554,278
Expenses:				
Salaries and benefits	8,069,200	1,669,572	391,871	10,130,643
Information services	1,493,723	562,224	595,796	2,651,743
Office and business	1,293,178	143,039	11,513	1,447,730
Building occupancy	2,113,217	218,366	66,035	2,397,618
Professional fees	1,332,620	129,063	26,864	1,488,547
Amortization	2,923,920	804,471	1,239,447	4,967,838
Total expenses	17,225,858	3,526,735	2,331,526	23,084,119
	8,138,357	1,560,023	771,779	10,470,159
Other income and expenses	310,423	4,338	-	314,761
Income and comprehensive income before income taxes	8,448,780	1,564,361	771,779	10,784,920
Income tax expense (recovery):				
Current	32,294	443,525	12,545	488,364
Deferred	(7,973)	(45,985)	-	(53,958)
	24,321	397,540	12,545	434,406
Net income and comprehensive income	\$ 8,424,459	\$ 1,166,821	\$ 759,234	\$ 10,350,514
Assets	\$ 66,039,772	\$ 6,628,358	\$ 16,709,076	\$ 89,377,206
Liabilities	\$ 3,965,738	\$ 4,448,538	\$ 4,645,316	\$ 13,059,592

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 nine months ended December 31, 2017, with comparative information for 2016

4. Revenue:

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

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Information products	\$ 3,369,258	\$ 3,117,051	\$ 10,978,472	\$ 10,936,976
Examination services	6,179,763	5,128,818	17,491,312	17,530,544
Service fees	1,586,427	1,450,235	5,149,686	5,086,758
	\$ 11,135,448	\$ 9,696,104	\$ 33,619,470	\$ 33,554,278

5. Cash and cash equivalents:

	December 31, 2017	March 31, 2017
Cash in bank and on hand	\$ 39,264,297	\$ 29,768,787
Cash equivalents	6,445,271	4,582,195
	\$ 45,709,568	\$ 34,350,982

Included in cash in bank and on hand is fees payable to the Province of British Columbia of \$87,935 (March 31, 2017: \$234,605) and other fees payable of \$14,929 (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.

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(Unaudited)

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

Three and nine months ended December 31, 2017, with comparative information for 2016

6. Investments:

	December 31, 2017	March 31, 2017
Short-term notes	\$ 1,327,358	\$ 499,092
Bonds	20,637,717	23,222,783
	\$ 21,965,075	\$ 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 December 31, 2017, LTSA held funds due to customers in the amount of \$3,621,661 (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 nine months ended December 31, 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	144,967	206,436	153,201	516,337
Disposals	-	(35,328)	(86,844)	-	(122,172)
Balance, December 31, 2016	\$ 436,271	\$ 2,729,165	\$ 2,203,732	\$ 5,104,433	\$ 10,473,601
Balance, April 1, 2017	\$ 443,989	\$ 2,815,956	\$ 2,206,163	\$ 5,112,657	\$ 10,578,765
Additions	12,811	126,061	53,180	164,871	356,923
Disposals	(816)	(179,119)	(35,303)	(5,538)	(220,776)
Balance, December 31, 2017	\$ 455,984	\$ 2,762,898	\$ 2,224,040	\$ 5,271,990	\$ 10,714,912
Amortization					
Balance, April 1, 2016	\$ (245,548)	\$ (2,073,150)	\$ (900,308)	\$ (1,952,794)	\$ (5,171,800)
Amortization	(31,880)	(200,441)	(106,542)	(427,766)	(766,629)
Disposals	-	27,623	-	-	27,623
Balance, December 31, 2016	\$ (277,428)	\$ (2,245,968)	\$ (1,006,850)	\$ (2,380,560)	\$ (5,910,806)
Balance, April 1, 2017	\$ (288,377)	\$ (2,298,202)	\$ (1,073,311)	\$ (2,525,563)	\$ (6,185,453)
Amortization	(36,939)	(203,159)	(204,940)	(521,474)	(966,512)
Disposals	816	178,844	35,303	5,538	220,501
Balance, December 31, 2017	\$ (324,500)	\$ (2,322,517)	\$ (1,242,948)	\$ (3,041,499)	\$ (6,931,464)
Net book value					
December 31, 2016	\$ 158,843	\$ 483,197	\$ 1,196,882	\$ 2,723,873	\$ 4,562,795
December 31, 2017	\$ 131,484	\$ 440,381	\$ 981,092	\$ 2,230,491	\$ 3,783,448

Included in technical equipment at December 31, 2017 is \$133,140 (March 31, 2017: \$133,140) of equipment held under a finance lease and related accumulated amortization of \$82,019 (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 nine months ended December 31, 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	29,685	1,357,937	-	2,142,859	3,530,481
Transfers	4,288,114	(4,288,114)	4,534,698	(4,534,698)	-
Balance, December 31, 2016	\$ 40,690,445	\$ 489,689	\$ 6,277,047	\$ 3,044,722	\$ 50,501,903
Balance, April 1, 2017	\$ 40,737,486	\$ 489,906	\$ 8,377,047	\$ 1,626,776	\$ 51,231,215
Additions	93,832	3,137,898	-	211,278	3,443,008
Transfers	784,503	(784,503)	1,838,054	(1,838,054)	-
Disposals	(39,222)	(129,348)	-	-	(168,570)
Balance, December 31, 2017	\$ 41,576,599	\$ 2,713,953	\$ 10,215,101	\$ -	\$ 54,505,653
Amortization					
Balance, April 1, 2016	\$ (20,468,401)	\$ -	\$ (51,625)	\$ -	\$ (20,520,026)
Amortization	(3,874,685)	-	(234,300)	-	(4,108,985)
Balance, December 31, 2016	\$ (24,343,086)	\$ -	\$ (285,925)	\$ -	\$ (24,629,011)
Balance, April 1, 2017	\$ (25,668,972)	\$ -	\$ (413,876)	\$ -	\$ (26,082,848)
Amortization	(4,002,765)	-	(496,166)	-	(4,498,931)
Disposals	39,222	-	-	-	39,222
Balance, December 31, 2017	\$ (29,632,515)	\$ -	\$ (910,042)	\$ -	\$ (30,542,557)
Net book value					
December 31, 2016	\$ 16,347,359	\$ 489,689	\$ 5,991,122	\$ 3,044,722	\$ 25,872,892
December 31, 2017	\$ 11,944,084	\$ 2,713,953	\$ 9,305,059	\$ -	\$ 23,963,096

Software systems under development are primarily costs to design, build and implement PMBC and the LTSA's Web Filing system. The final piece of PMBC software was placed in operation in December 2017. Cadastral fabric under development is for the costs to design, build and implement PMBC. The initial build of the cadastral fabric was completed in June 2017.

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Three and nine months ended December 31, 2017, with comparative information for 2016

10. Income taxes:

	December 31, 2017	March 31, 2017
Deferred tax liabilities (assets):		
Technical equipment	\$ 3,569	\$ 8,342
Office furniture and equipment	6,871	8,839
Leasehold improvements	(3,495)	(4,122)
Software systems	483,935	599,675
	\$ 490,880	\$ 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 December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Net earnings before income taxes	\$ 2,697,880	\$ 1,607,226	\$ 9,330,751	\$ 10,784,920
Net tax exempt earnings	(2,315,036)	(1,343,022)	(7,737,907)	(9,154,036)
Net earnings subject to income taxes	\$ 382,844	\$ 264,204	\$ 1,592,844	\$ 1,630,884
Expected income tax expense at the combined tax rate of 26% (2016: 26%)	\$ 99,539	\$ 68,693	\$ 414,139	\$ 424,031
(Decrease) increase in income tax Expense resulting from:				
Current tax refunds for prior years	-	-	(13,246)	-
Other	477	-	8,017	10,375
	477	-	(5,229)	10,375
Income tax expense	\$ 100,016	\$ 68,693	\$ 408,910	\$ 434,406

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(Unaudited)

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

Three and nine months ended December 31, 2017, with comparative information for 2016

11. Provisions:

The carrying amounts and the movements in the provision account are as follows:

	Provision for legal claims	Other current provisions	Total current provisions
Balance, April 1, 2016 and December 31, 2016	\$ 1,002,596	\$ 89,896	\$ 1,092,492
Balance, April 1, 2017	1,137,596	91,291	1,228,887
Utilized	(1,002,596)	-	(1,002,596)
Balance, December 31, 2017	\$ 135,000	\$ 91,291	\$ 226,291

12. Employee benefits:

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

	December 31, 2017	March 31, 2017
Salaries payable	\$ 959,200	\$ 1,282,774
Employee leave liability	610,130	659,202
Superannuation and group RRSP benefits	147,331	103,887
	\$ 1,716,661	\$ 2,045,863

Public service pension plan:

The LTSA paid \$213,955 and \$619,260 for employer contributions to the plan during the three and nine months ended December 31, 2017 (2016: \$200,955 and \$575,317).

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 nine months ended December 31, 2017 was \$46,447 and \$134,943 (2016: \$36,719 and \$109,468).

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(Unaudited)

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Three and nine months ended December 31, 2017, with comparative information for 2016

13. Other current liabilities:

The LTSA has a contract with MacDonald Dettweiler and Associates Ltd. ("MDA") to build PMBC and Web Filing. 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 December 31, 2017, the current portion of holdbacks payable to MDA was for the PMBC Project (March 31, 2017: \$2,184,963).

	December 31, 2017	March 31, 2017
Holdbacks payable	\$ 2,209,402	\$ 2,184,963

14. Other non-current liabilities:

As at December 31, 2017, the non-current portion of holdbacks payable to MDA was for Web Filing and was \$321,428 (March 31, 2017: nil).

	December 31, 2017	March 31, 2017
Holdbacks payable	\$ 321,428	\$ -
Capital lease obligation	35,722	45,748
	\$ 357,150	\$ 45,748

15. 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, 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 \$1,154,976 and \$3,058,273 (2016 - \$895,869 and \$2,589,457).

Products and services acquired from the province for the three and nine months ended December 31, 2017 totalled \$176,501 and \$440,788 (2016 - \$151,671 and \$497,215).

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, 2017, the LTSA provided services to these authorities which, if assessed fees at

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15. Related party transactions (continued):

Real property taxation authorities (continued):

the usual rates applicable to other entities, would have resulted in additional revenues of \$158,896 and \$512,273 (2016 - \$163,906 and \$500,612).