

GENESIS LIMITED PARTNERSHIP #7
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

GENESIS LIMITED PARTNERSHIP #7
NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS
For the Years Ended December 31, 2014 and 2013

The accompanying unaudited consolidated financial statements of Genesis Limited Partnership #7 (the "Partnership") have been prepared by and are the sole responsibility of the Partnership's management. These financial statements have not been independently reviewed or audited.

GENESIS LIMITED PARTNERSHIP #7**CONSOLIDATED BALANCE SHEETS***(In Canadian dollars)**(Unaudited)*

	Notes	December 31,	
		2014	2013
Assets			
Cash and cash equivalents		244,696	244,778
Investment in Genesis Limited Partnership #6		2,195,796	1,708,798
Total assets		2,440,492	1,953,576
Liabilities			
Amounts due to related parties		49,781	39,747
Total liabilities		49,781	39,747
Equity			
General partner		10	10
Limited partners		2,390,701	1,913,819
Total equity		2,390,711	1,913,829
Total liabilities and equity		2,440,492	1,953,576

See accompanying notes to the consolidated financial statements.

GENESIS LIMITED PARTNERSHIP #7**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)***(In Canadian dollars)**(Unaudited)*

	Notes	Year ended December 31,	
		2014	2013
Revenues			
Gain on investments		486,997	-
Miscellaneous income	3	-	283,345
		486,997	283,345
Expenses			
Loss on investments		-	511,165
General and administrative		10,115	6,410
		10,115	517,575
Earnings (loss) being comprehensive income (loss)		476,882	(234,230)

See accompanying notes to the consolidated financial statements.

GENESIS LIMITED PARTNERSHIP #7
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
For the years ended December 31, 2014 and 2013
(In Canadian dollars)
(Unaudited)

	Net Partners' Contributions	Deficit	Partners' Equity
At December 31, 2012	8,948,886	(5,258,110)	3,690,776
Loss being comprehensive loss for the year	-	(234,230)	(234,230)
Distributions to limited partners	-	(1,542,717)	(1,542,717)
At December 31, 2013	8,948,886	(7,035,057)	1,913,829
Earnings being comprehensive income for the year	-	476,882	476,882
At December 31, 2014	8,948,886	(6,558,175)	2,390,711

See accompanying notes to the consolidated financial statements.

GENESIS LIMITED PARTNERSHIP #7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For years ended December 31, 2014 and 2013
(In Canadian dollars)
(Unaudited)

1. ORGANIZATION AND OPERATION OF THE PARTNERSHIP

Genesis Limited Partnership #7 (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on April 6, 2006 pursuant to the Partnership Act (Alberta). It commenced operations by raising funds through an offering memorandum dated April 10, 2006 for limited partnership units ("Units"). As at December 31, 2014, the Partnership had 1,787 Units outstanding (December 31, 2013 - 1,787 Units).

The Partnership was established to participate in the development of serviced multi-family, commercial and single family lots through an indirect interest in Genesis Limited Partnership #6.

The affairs of the Partnership are managed by the General Partner, GP-GLP7 Inc.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiary, GLP7 Subco Inc. All intra-group transactions and balances are eliminated on consolidation.

3. MISCELLANEOUS INCOME

Pursuant to a sales agreement dated April 6, 2006 with Genesis Limited Partnership #6 ("GLP6"), GLP6 agreed to market 2,000 Units for the Partnership. The Partnership incurred marketing administration fees of \$304,672 which were recorded as a general and administrative expense. In 2013, it was determined that, as 93% of the proceeds raised by the Partnership were used to acquire units in GLP6, resulting in the issuance of 1,787 GLP6 units, GLP6 was responsible for 93% of the marketing administration fees paid, or \$283,345.

Accordingly, the Partnership recognized miscellaneous income of \$283,345 for the year ended December 31, 2013 representing a recovery of issuance costs previously expensed.

GENESIS LIMITED PARTNERSHIP #7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In Canadian dollars)

(Unaudited)

4. NON-IFRS PRESENTATION OF COMPREHENSIVE INCOME

Under International Financial Reporting Standards (IFRS), the Partnership's earnings from its 31.6% indirect ownership interest in Genesis Limited Partnership #6 are presented as a single line item: "gain (loss) on investments". The following table presents the operating results for the Partnership and its indirect investment in Genesis Limited Partnership #6 using the proportionate consolidation method:

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Revenues					
Development land sales	-	-	1,449,431	1,992,020	205,257
Residential home sales	-	-	4,110	18,912	278,909
Residential lot sales	-	-	-	-	66,228
Recovery of land under development	504,270	-	-	-	-
Other income	-	193,870	79	3,601	22,420
	504,270	193,870	1,453,620	2,014,533	572,814
Cost of Sales					
Development land	-	-	945,314	1,743,011	155,574
Residential homes	-	-	4,342	13,027	276,688
Write-down of land under development	-	504,270	-	-	-
	-	504,270	949,656	1,756,038	432,262
Gross Profit	504,270	(310,400)	503,964	258,495	140,552
Interest Income	-	83,806	139,249	137,070	-
General and administrative expense	(27,388)	(7,636)	(8,196)	(18,647)	(21,436)
Earnings (loss)	476,882	(234,230)	635,017	376,918	119,116
Earnings (loss) per unit	\$ 267	\$ (131)	\$ 355	\$ 211	\$ 67