



GENESIS LAND DEVELOPMENT CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2016 and 2015
(Unaudited)

SECOND QUARTER

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
(Unaudited)
(In thousands of Canadian dollars)

	Notes	June 30, 2016	December 31, 2015
Assets			
Real estate held for development and sale	3	260,863	288,291
Investment in joint venture	9	-	2,854
Amounts receivable		17,870	17,234
Other operating assets		6,655	7,574
Deferred tax assets		5,156	3,693
Cash and cash equivalents		15,359	11,399
Income taxes recoverable		75	-
Total assets		305,978	331,045
Liabilities			
Loans and credit facilities	4	40,583	63,819
Customer deposits		2,293	3,820
Accounts payable and accrued liabilities	9	14,053	19,219
Income taxes payable		-	270
Provision for future development costs		19,936	18,926
Total liabilities		76,865	106,054
Commitments and contingencies	7		
Equity			
Share capital	5, 6	55,129	55,591
Contributed surplus	6	-	5,577
Retained earnings		161,117	150,957
Shareholders' equity		216,246	212,125
Non-controlling interest		12,867	12,866
Total equity		229,113	224,991
Total liabilities and equity		305,978	331,045

See accompanying notes to the condensed consolidated interim financial statements

Subsequent events (note 3)

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

For the three and six months ended June 30, 2016 and 2015

(In thousands of Canadian dollars except per share amounts)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
Revenues					
Sales revenue		26,091	31,672	58,484	47,410
Other revenue		57	150	88	185
		26,148	31,822	58,572	47,595
Direct cost of sales	3	(18,545)	(21,708)	(42,735)	(32,790)
(Write-down) of real estate held for development and sale		-	(11,261)	-	(11,261)
		(18,545)	(32,969)	(42,735)	(44,051)
Gross margin		7,603	(1,147)	15,837	3,544
(Expense) income from joint venture	9	(58)	600	86	772
General and administrative		(2,702)	(3,246)	(6,027)	(6,523)
Selling and marketing		(1,068)	(1,447)	(2,291)	(2,364)
		(3,828)	(4,093)	(8,232)	(8,115)
Operating earnings (loss) from operations		3,775	(5,240)	7,605	(4,571)
Finance income		38	29	45	53
Finance expense		(756)	(952)	(1,524)	(1,974)
Earnings (loss) before income taxes		3,057	(6,163)	6,126	(6,492)
Income tax expense		(343)	(426)	(1,187)	(530)
Net earnings (loss) being comprehensive earnings (loss)		2,714	(6,589)	4,939	(7,022)
Attributable to non-controlling interest		(114)	(7,922)	1	(8,415)
Attributable to equity shareholders		2,828	1,333	4,938	1,393
Net earnings per share – basic and diluted		0.06	0.03	0.11	0.03

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

For the three and six months ended June 30, 2016 and 2015

(In thousands of Canadian dollars except number of shares)

	Equity attributable to Corporation's shareholders					Non-Controlling Interest	Total Equity
	Common shares – Issued		Contributed Surplus	Retained Earnings	Total Shareholders' Equity		
	Number of Shares	Amount					
At December 31, 2014	44,931,200	56,393	5,349	146,359	208,101	23,173	231,274
Share-based payments	-	-	107	-	107	-	107
Net earnings (loss) ⁽¹⁾	-	-	-	1,393	1,393	(8,415)	(7,022)
At June 30, 2015	44,931,200	56,393	5,456	147,752	209,601	14,758	224,359
At December 31, 2015	44,297,602	55,591	5,577	150,957	212,125	12,866	224,991
Share-based payments	-	-	76	-	76	-	76
Repurchase and cancellation of shares ⁽²⁾	(363,100)	(462)	-	(431)	(893)	-	(893)
Transferred to retained earnings ⁽³⁾	-	-	(5,653)	5,653	-	-	-
Net earnings ⁽¹⁾	-	-	-	4,938	4,938	1	4,939
At June 30, 2016	43,934,502	55,129	-	161,117	216,246	12,867	229,113

See accompanying notes to the condensed consolidated interim financial statements

⁽¹⁾ Net earnings (loss) being comprehensive earnings (loss)

⁽²⁾ Repurchased and cancelled under normal course issuer bid ("NCIB"). Refer to note 5

⁽³⁾ Transferred to retained earnings on cancellation of all outstanding stock options. Refer to note 6

GENESIS LAND DEVELOPMENT CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
For the three and six months ended June 30, 2016 and 2015
(In thousands of Canadian dollars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
Operating activities					
Receipts from residential lot and development land sales		11,339	3,482	14,482	7,286
Receipts from residential home sales		20,970	30,224	43,015	45,491
Other receipts		57	451	558	865
Paid for land development		(3,636)	(8,323)	(5,969)	(13,831)
Paid for land acquisition		-	-	-	(10,000)
Paid for residential home construction		(6,491)	(17,011)	(13,464)	(30,211)
Paid to suppliers and employees		(4,888)	(8,571)	(9,009)	(13,829)
Interest received		38	29	45	53
Income taxes paid		(2,995)	(1,605)	(2,995)	(5,875)
Cash flows from (used in) operating activities		14,394	(1,324)	26,663	(20,051)
Investing activities					
Acquisition of equipment		-	(286)	(29)	(442)
Distribution received from joint venture	9	-	-	3,200	-
Cash (used in) from investing activities		-	(286)	3,171	(442)
Financing activities					
Advances from loans and credit facilities		9,029	6,335	16,473	8,299
Payment on vendor-take-back mortgage		-	-	(8,000)	-
Repayments of loans and credit facilities		(17,369)	(8,834)	(33,142)	(16,330)
Interest and fees paid on loans and credit facilities		(118)	(258)	(312)	(490)
Cash settlement of options		-	(59)	-	(59)
Repurchase and cancellation of shares under NCIB	5	(285)	-	(893)	-
Cash (used in) financing activities		(8,743)	(2,816)	(25,874)	(8,580)
Change in cash and cash equivalents		5,651	(4,426)	3,960	(29,073)
Cash and cash equivalents, beginning of period		9,708	8,401	11,399	33,048
Cash and cash equivalents, end of period		15,359	3,975	15,359	3,975

See accompanying notes to the condensed consolidated interim financial statements

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three and six months ended June 30, 2016 and 2015

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

1. DESCRIPTION OF BUSINESS

Genesis Land Development Corp. (the "Corporation" or "Genesis") was incorporated as Genesis Capital Corp. under the Business Corporation Act (Alberta) on December 2, 1997.

The Corporation is engaged in the acquisition, development, and sale of land, residential lots and homes primarily in the greater Calgary area. The Corporation reports its activities as two business segments: land development and home building.

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office are located at 7315 - 8th Street N.E., Calgary, Alberta T2E 8A2.

The condensed consolidated interim financial statements of Genesis were approved for issuance by the Board of Directors on August 11, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the years ended December 31, 2015 and 2014. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements ("Statements") of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These Statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The Corporation adopted no new IFRSs and interpretations during 2016.

These Statements do not include all of the information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2015 and 2014.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Land Under Development	Land Held for Future Development	Home Building	Total	Limited Partnerships	Intra- segment Elimination	Consolidated Total
Gross book value							
As at December 31, 2015	138,518	107,495	30,768	276,781	79,997	(5,381)	351,397
Transfers	(13,956)	-	13,956	-	-	-	-
Development	14,522	47	13,271	27,840	-	-	27,840
Sold	(9,119)	(6,466)	(37,605)	(53,190)	(8,212)	1,187	(60,215)
As at June 30, 2016	129,965	101,076	20,390	251,431	71,785	(4,194)	319,022
Less provision for write-downs							
As at December 31, 2015	-	30,633	-	30,633	32,473	-	63,106
Sold	-	(4,947)	-	(4,947)	-	-	(4,947)
As at June 30, 2016	-	25,686	-	25,686	32,473	-	58,159
Net book value							
As at December 31, 2015	138,518	76,862	30,768	246,148	47,524	(5,381)	288,291
As at June 30, 2016	129,965	75,390	20,390	225,745	39,312	(4,194)	260,863

During the three and six months ended June 30, 2016, interest of \$125 and \$314 (2015 - \$47 and \$482) was capitalized in the Development line above. During the three and six months ended June 30, 2016, \$992 of work in progress relating to certain townhouse projects in the Home Building segment above was expensed to cost of sales as these projects are not going to proceed.

The Corporation closed the sale of a 1,653 acre non-core parcel of land located in Kamloops, BC on June 9, 2016. The sale was contracted for gross proceeds of \$1,650. A 14 acre development land parcel was sold during the three months ended March 31, 2016. The sale transaction closed and the sale proceeds were received during the three months ended June 2016. A rebate of \$100 for early payment of the sale proceeds was given to the purchaser in accordance with the sale contract. The Corporation owned a direct 10% undivided interest. The remaining 90% was the final land holding of LP 6/7 Group.

The following table summarizes the 14 acre development land sale transaction as at June 30, 2016.

	Genesis	LP 6/7 Group	Total
Sales revenue, net of \$100 rebate	1,015	9,135	10,150
Direct cost of sales	(2,124)	(8,212)	(10,336)
Deferred gain from the original sale of these lands to the LP	1,187	-	1,187
Gross margin	78	923	1,001
Sales commission and misc. expenses	(25)	(238)	(263)
Management fees	669	(669)	-
Net margin	722	16	738
Genesis' 11.75% interest in LP 6	2	(2)	-
	724	14	738

Genesis Limited Partnership #6, a part of the LP6/7 Group, paid a partial distribution of \$6,039 to its unit holders subsequent to June 30, 2016.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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4. LOANS AND CREDIT FACILITIES

	June 30, 2016	December 31, 2015
Secured by agreements receivable and real estate held for development and sale		
(a) Land project loan, payable on collection of agreements receivable, bearing interest of prime +1.25% per annum, secured by real estate held for development and sale with a carrying value of \$28,715, due on November 5, 2017.	1,410	14,546
(b) Land project loans, payable on collection of agreements receivable, bearing interest ranging from prime +0.75% to prime +1.00% per annum, secured by real estate held for development and sale with a carrying value of \$21,635, due between September 18, 2017 and October 7, 2017.	-	2,063
Secured by real estate held for development and sale		
(c) Vendor-take-back mortgage ("VTB") of \$32,000 at 0% per annum is measured at amortized cost and whose fair value is based on discounted future cash flows, using an 8% discount rate, reflecting current market conditions for instruments with similar terms and risks. The VTB was assumed for \$40,000 on January 6, 2015 for the purchase of southeast Calgary lands and is secured by these lands with a carrying value of \$44,270. The VTB is to be paid in five annual installments of \$8,000 each, commencing January 6, 2016 and ending January 6, 2020. The first installment of \$8,000 was paid in January 2016.	32,000	40,000
Unamortized portion of the discount on the VTB.	(4,587)	(5,679)
(d) Demand operating line of credit up to \$10,000, bearing interest at prime +1.0% per annum, secured by real estate held for development and sale with a carrying value of \$13,191.	1,580	-
Secured by housing projects under development		
(e) Demand operating line of credit up to \$6,500, bearing interest at prime +1.5% per annum, secured by a general security agreement over assets of the home building division.	-	1,427
(f) Capital project loans, payable on collection of closing proceeds, bearing interest at prime +1.5% per annum, secured by home building projects with a carrying value of \$2,717 due by September 11, 2016.	2,148	3,767
	32,551	56,124
Secured by land held for future development - Limited Partnership		
(g) Land loan, bearing interest at the greater of 7.25% or prime +3% per annum, secured by land held for future development and sale with a carrying value of \$28,795 maturing July 1, 2017.	8,325	8,125
	40,876	64,249
Deferred fees on loans and credit facilities	(293)	(430)
	40,583	63,819

The weighted average interest rate of loan agreements with financial institutions was 6.00% (December 31, 2015 – 4.75%) based on June 30, 2016 balances. The VTB at 0% per annum is measured at amortized cost and its fair value is based on discounted future cash flows using an 8% discount rate, resulting in interest expense of \$546 and \$1,092 (2015 - \$658 and \$1,318) for the three and six months ended June 30, 2016 respectively.

During the three and six months ended June 30, 2016, the Corporation received advances of \$9,029 and \$16,473 (2015 - \$6,335 and \$8,299) relating to various existing loan facilities secured by agreements receivable and real estate held for development and sale, bearing interest ranging from prime + 1.00% to prime + 1.25% per annum, with due dates ranging from June 30, 2017 to November 5, 2017.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three and six months ended June 30, 2016 and 2015

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

4. LOANS AND CREDIT FACILITIES (continued)

Based on the contractual terms, the Corporation's loans and credit facilities are to be repaid within the following time periods (excluding deferred financing fees):

July 1, 2016 to June 30, 2017	11,406
July 1, 2017 to June 30, 2018	16,830
July 1, 2018 to June 30, 2019	6,556
July 1, 2019 to June 30, 2020	6,084
	40,876

As at June 30, 2016 and at December 31, 2015, the Corporation and its subsidiaries were in compliance with all loan covenants.

5. SHARE CAPITAL

a) **Authorized**

Unlimited number of common shares without par value

Unlimited number of preferred shares without par value, none issued

b) **Weighted average number of shares**

The following table sets forth the weighted average number of common shares outstanding for the three and six months ended June 30, 2016 and 2015:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Basic	44,008,514	44,931,200	44,105,226	44,931,200
Effect of dilutive securities – stock options	-	2,302	-	1,073
Diluted	44,008,514	44,933,502	44,105,226	44,932,273

In calculating diluted earnings per share for the three and six months ended June 30, 2016, the Corporation excluded all options as they were cancelled effective June 30, 2016. In calculating the diluted earnings for the three months and six ended June 30, 2015, the Corporation excluded 2,432,000 options as their exercise price was greater than the average market price of the Corporation's shares during the period.

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(Unaudited)

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5. SHARE CAPITAL (continued)

c) Normal course issuer bid

The following table sets forth the number of common shares repurchased and cancelled during the three and six months ended June 30, 2016 and 2015.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Number of shares repurchased and cancelled	104,400	-	363,100	-
Reduction in share capital	133	-	462	-
Reduction in retained earnings	152	-	431	-
Reduction in shareholders' equity	285	-	893	-

The average purchase prices per share for the three and six months ended June 30, 2016 was \$2.74 and \$2.46 respectively (2015 - Nil shares purchased).

6. STOCK OPTIONS

The Corporation has established a stock option plan for employees, officers, and directors of the Corporation to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant.

The options must be issued at not less than the fair market value of the common shares at the date of grant and are issued with terms not exceeding five years from the date of grant.

The Corporation terminated the stock option plan on March 22, 2016. All outstanding stock options were cancelled effective June 30, 2016 and \$5,653 of contributed surplus relating to share-based payments was transferred to retained earnings.

Regular options

Details of outstanding regular options were as follows:

	Six months ended June 30,			
	2016		2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of period	1,085,000	\$4.01	1,419,000	\$3.86
Options expired	(918,328)	\$3.89	(10,000)	\$3.68
Options cancelled	(166,672)	\$4.71	-	-
Options settled in cash	-	-	(144,000)	\$3.27
Outstanding – end of period	-	-	1,265,000	\$3.94
Exercisable – end of period	-	-	811,663	\$3.69

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

For the three and six months ended June 30, 2016 and 2015

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

6. STOCK OPTIONS (continued)

Performance options

Details of the performance options were as follows:

	Six months ended June 30,			
	2016		2015	
	Number of Options	Exercise Price	Number of Options	Exercise Price
Outstanding – beginning of period	1,272,000	\$3.35	1,272,000	\$3.35
Options expired	(1,272,000)	\$3.35	-	-
Outstanding – end of period	-	-	1,272,000	\$3.35
Exercisable – end of period	-	-	179,740	\$3.35
Weighted average remaining contractual life	-	-	-	3.51 years

During the three and six months ended June 30, 2016, Nil and 285,000 regular options and Nil and all 1,272,000 performance options respectively expired in conjunction with two executive officers leaving the Corporation.

7. COMMITMENTS AND CONTINGENCIES

Other than the commitments and contingencies discussed below and in the notes to the annual audited consolidated financial statements for the years ended December 31, 2015 and 2014, there were no other material commitments or contingencies as at June 30, 2016.

- a) The Corporation has entered into a memorandum of understanding with the Northeast Community Society, whereby the Corporation will contribute \$5,000 for the naming rights for 10 years to “Genesis Centre for Community Wellness”, a recreation complex in northeast Calgary (\$500 each year, terminating October 31, 2021). The first five installments totaling \$2,500 were paid up to and through to the end of June 2016.
- b) The Corporation has issued letters of credit pursuant to service agreements with municipalities to indemnify them in the event that the Corporation does not perform its contractual obligations. As of June 30, 2016, the letters of credit amounted to \$5,715 (December 31, 2015 – \$6,309).
- c) On July 15, 2011, a joint venture (note 9) obtained a credit facility in the amount of \$17,000. The Corporation and a joint venture partner had each provided guarantees for 50% of this facility. The facility was cancelled during 2016.
- d) The Corporation has office and other operating leases with the following annual payments: not later than one year - \$947; later than one year but not later than five years - \$171; and later than five years - Nil.
- e) Two former employees have filed a claim against the Corporation on May 27, 2016 alleging wrongful dismissal and seeking damages. The Corporation intends to vigorously defend the allegations.

GENESIS LAND DEVELOPMENT CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

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8. FINANCIAL INSTRUMENTS

Fair value measurements recognized in the condensed consolidated interim balance sheet are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. The three fair value hierarchy levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and,

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The estimated fair value of financial assets and liabilities as at June 30, 2016, are presented in the following table:

	June 30, 2016	
	Carrying Value	Estimated Fair Value
Fair value through profit and loss		
Cash and cash equivalents	15,359	15,359
Deposits	2,953	2,953
Restricted Cash	951	951
Loans and receivables		
Amounts receivable	17,870	16,870
Other financial liabilities		
Accounts payable and accrued liabilities	14,053	14,053
Loans and credit facilities, excl. deferred loans and credit facilities fees (note 4)	40,876	40,876

Cash and cash equivalents, deposits, and restricted cash are classified under Level 1 of the hierarchy.

The fair values of the Corporation's amounts receivable and of loans and credit facilities were estimated based on current market rates for loans of the same risk and maturities. These are classified as Level 2 of the hierarchy. Accounts payable and accrued liabilities are classified under Level 2 of the hierarchy and their fair value approximates the carrying value due to the short term nature of the financial instruments.

During the three and six months ended June 30, 2016 and 2015 no transfers were made between the levels in the fair value hierarchy.

GENESIS LAND DEVELOPMENT CORP.
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9. JOINT VENTURE

The Corporation formed a joint venture ("JV") on April 30, 2010, for the purpose of acquiring, developing and selling certain real estate. The Corporation is a 50% partner in the JV and the following tables summarize the financial information of the JV.

	June 30, 2016	December 31, 2015
Assets		
Amounts receivable	2,910	11,687
Cash and cash equivalents	2,768	2,127
Total assets	5,678	13,814
Liabilities		
Accounts payable and accrued liabilities	858	1,661
Provision for future development costs	5,490	6,241
Total liabilities	6,348	7,902
Net (liabilities) assets	(670)	5,912
Corporation's share of net (liabilities) assets (50%)	(335)	2,956
Deferred gain	(37)	(102)
Carrying amount on the consolidated balance sheet	(372)	2,854

The carrying amount as at June 30, 2016 is grouped with accounts payable and accrued liabilities on the consolidated balance sheet.

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9. JOINT VENTURE (continued)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Cost of sales	(167)	(19)	(174)	(23)
Gross margin	(167)	(19)	(174)	(23)
General and administrative	(3)	(16)	(10)	(42)
Finance income	-	23	2	87
(Loss) earnings being comprehensive (loss) earnings	(170)	(12)	(182)	22
Corporation's share of (loss) earnings and comprehensive (loss) earnings (50%)	(85)	(6)	(91)	11
Deferred gain recognized	12	214	65	260
Deferred margin recognized on JV lots sold	15	392	112	501
Amount on condensed consolidated interim statements of comprehensive (loss) income	(58)	600	86	772

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Cash flows from operating activities	1,792	9,236	7,041	9,276
Cash flows (used in) financing activities	-	(2,446)	(6,400)	(2,486)
Net change in cash and cash equivalents	1,792	6,790	641	6,790

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(Unaudited)

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9. JOINT VENTURE (continued)

	Investment in JV	Income from JV
At December 31, 2015	2,854	-
Share of net (loss) in JV	(91)	(91)
Deferred gain recognized	65	65
Deferred margin from JV on lots sold	-	112
Distribution received	(3,200)	-
At June 30, 2016	(372)	86
At December 31, 2014	3,560	
Share of net income in JV	11	11
Deferred gain recognized	260	260
Deferred margin from JV on lots sold	-	501
At June 30, 2015	3,831	772

The Corporation's transactions with the JV are limited to the purchase of home building lots. During the three and six months ended June 30, 2016 and 2015, the JV sold no lots to Genesis Builders Group, a wholly owned subsidiary of the Corporation. The Corporation's accounts payable and accrued liabilities as June 30, 2016 was Nil (December 31, 2015 - Nil), related to the purchase of home building lots.

The Corporation deferred \$13,167 of gain when it contributed its share of land to the JV in 2010. As at June 30, 2016, the Corporation had realized \$13,130 (December 31, 2015 – \$13,065) of that amount as a result of sales through its home building business segment and directly to third parties.

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(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

10. SEGMENTED INFORMATION

The income producing business units of the Corporation reported the following activities for the three and six months ended June 30, 2016 and 2015:

Three months ended June 30, 2016	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	11,631	(64)	-	11,567	21,533	(6,952)	26,148
Direct cost of sales	(6,905)	(24)	-	(6,929)	(18,568)	6,952	(18,545)
Gross margin	4,726	(88)	-	4,638	2,965	-	7,603
Income from JV	(58)	-	-	(58)	-	-	(58)
G&A, selling & marketing and net finance expense or income	(1,688)	(548)	-	(2,236)	(2,252)	-	(4,488)
Earnings (loss) before income taxes and non-controlling interest	2,980	(636)	-	2,344	713	-	3,057

Three months ended June 30, 2015	Land Development Segment			Total	Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination				
Revenues	5,909	25	-	5,934	31,029	(5,141)	31,822
Direct cost of sales	(2,308)	(3)	-	(2,311)	(25,316)	5,919	(21,708)
Write-down of real estate	(3,839)	(7,422)	-	(11,261)	-	-	(11,261)
Gross margin	(238)	(7,400)	-	(7,638)	5,713	778	(1,147)
Income from JV	600	-	-	600	-	-	600
G&A, selling & marketing and net finance expense or income	(2,111)	(524)	-	(2,635)	(2,981)	-	(5,616)
(Loss) earnings before income taxes and non-controlling interest	(1,749)	(7,924)	-	(9,673)	2,732	778	(6,163)

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10. SEGMENTED INFORMATION (continued)

Six months ended June 30, 2016	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	20,287	9,168	(669)	28,786	43,742	(13,956)	58,572
Direct cost of sales	(12,631)	(8,238)	1,187	(19,682)	(37,009)	13,956	(42,735)
Gross margin	7,656	930	518	9,104	6,733	-	15,837
Income from JV	86	-	-	86	-	-	86
G&A, selling & marketing and net finance expense or income	(3,247)	(1,993)	669	(4,571)	(5,226)	-	(9,797)
Earnings (loss) before income taxes and non-controlling interest	4,495	(1,063)	1,187	4,619	1,507	-	6,126
Segmented assets	267,422	46,908	(29,072)	285,258	25,317	(4,597)	305,978
Segmented liabilities ^{(1),(2)}	61,412	34,557	(26,195)	69,774	11,461	(4,370)	76,865
Segmented net assets ^{(1),(2)}	206,010	12,351	(2,877)	215,484	13,856	(227)	229,113

Six months ended June 30, 2015	Land Development Segment				Home Building Segment	Intersegment Elimination	Total
	Genesis	LP	Intrasegment Elimination	Total			
Revenues	9,129	35	-	9,164	46,330	(7,899)	47,595
Direct cost of sales	(3,865)	(6)	-	(3,871)	(38,101)	9,182	(32,790)
Write-down of real estate	(3,839)	(7,422)	-	(11,261)	-	-	(11,261)
Gross margin	1,425	(7,393)	-	(5,968)	8,229	1,283	3,544
Income from JV	772	-	-	772	-	-	772
G&A, selling & marketing and net finance expense or income	(4,071)	(1,023)	-	(5,094)	(5,714)	-	(10,808)
(Loss) earnings before income taxes and non-controlling interest	(1,874)	(8,416)	-	(10,290)	2,515	1,283	(6,492)
Segmented assets as at December 31, 2015	290,431	48,209	(31,801)	306,839	35,683	(11,477)	331,045
Segmented liabilities as at December 31, 2015 ^{(1),(2)}	86,183	34,794	(26,704)	94,273	22,917	(11,136)	106,054
Segmented net assets as at December 31, 2015 ^{(1),(2)}	202,248	13,415	(5,097)	212,566	12,766	(341)	224,991

⁽¹⁾ Segmented liabilities under the home building segment include \$2,934 (December 31, 2015 - \$9,095) due to the land development segment.

⁽²⁾ Segmented liabilities under the LP segment is comprised of accounts payable and accrued liabilities and includes \$26,195 (December 31, 2015 - \$26,704) due to Genesis.

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11. RELATED PARTY TRANSACTIONS

Transactions occurred in the three and six months ended June 30, 2016 with the following related parties:

- a) A corporation controlled by an officer and director,
- b) A corporation which is a significant shareholder of Genesis.

Genesis incurred costs of \$167 and \$251 from the two entities for the three and six months ended June 30, 2016, respectively (2015 - Nil). For the three and six months ended June 30, 2016, \$159 and \$223 (2015 - Nil) related to fees for services and \$8 and \$28 (2015 - Nil) related to reimbursement of travel and other costs, respectively. Of these amounts, \$53 (2015 - Nil) is in accounts payable and accrued liabilities as at June 30, 2016.