

INDEPENDENT AUDITOR'S REPORT

Board of Directors
 The Genesis Fund, Inc.
 PO Box 1
 Bristol, ME 04543

I have audited the accompanying statement of financial position of the Genesis Fund, Inc. (a nonprofit organization) as of March 31, 2001 and 2000, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Genesis Fund, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Genesis Fund, Inc. as of March 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Bruce A. Bachelder, CPA
 Damariscotta, Maine
 May 22, 2001

FY01 STATEMENT OF ACTIVITY	
OPERATING REVENUES	
Contributions and Grants	103,751
Interest on Loans	55,888
Interest on Investments	35,847
Technical Assistance Fees	16,971
Loan Origination Fees	3,050
Total Operating Revenues	215,507
OPERATING EXPENSES	
Program	17,482
Administration & Management	19,016
Fundraising	2,034
Total Operating Expenses	138,532
Change in Net Assets from Operations	76,975

FY01 STATEMENT OF FINANCIAL POSITION	
ASSETS	
Cash and equivalents	1,319,224
Loans Receivable	402,770
Investments	500
Net Fixed Assets	4,449
Total Assets	1,726,943
LIABILITIES	
Loans Payable	236,982
Interest & Accounts Payable	17,144
Long Term Liabilities	1,328,241
Total Liabilities	1,582,367
NET ASSETS	
Unrestricted	136,776
Temporarily Restricted	7,800
Total Net Assets	144,576
Total Liabilities and Net Assets	1,726,943