

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Genesis Fund, Inc.  
PO Box 609  
Damariscotta, ME 04543

I have audited the accompanying statement of financial position of the Genesis Fund, Inc. (a nonprofit organization) as of March 31, 2002 and 2001, 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, 2002 and 2001, 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 20, 2002

FY02 STATEMENT OF ACTIVITY	
OPERATING REVENUES	
Contributions and Grants	345,420
Interest on Loans	46,280
Interest on Investments	48,034
Technical Assistance Fees	25,122
Loan Origination Fees	4,963
<b>Total Operating Revenues</b>	<b>469,819</b>
OPERATING EXPENSES	
Program	141,738
Administration & Management	23,925
Fundraising	2,084
<b>Total Operating Expenses</b>	<b>167,747</b>
<b>Change in Net Assets from Operations</b>	<b>302,072</b>

FY02 STATEMENT OF FINANCIAL POSITION	
ASSETS	
Cash and equivalents	1,228,728
Loans Receivable	892,112
Investments	500
Prepaid Expenses	1,253
Net Fixed Assets	8,108
<b>Total Assets</b>	<b>2,130,701</b>
LIABILITIES	
Loans Payable	299,845
Other Payables	32,477
Long Term Liabilities	1,351,731
<b>Total Liabilities</b>	<b>1,684,053</b>
NET ASSETS	
Unrestricted	424,489
Temporarily Restricted	22,159
<b>Total Net Assets</b>	<b>446,648</b>
<b>Total Liabilities and Net Assets</b>	<b>2,130,701</b>