

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, 2004 and 2003, 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, 2004 and 2003, 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
June 9, 2004

FY04 STATEMENT OF ACTIVITY	
OPERATING REVENUES	
Contributions and Grants	62,144
Interest on Loans	103,760
Interest on Investments	17,992
Technical Assistance Fees	32,456
Loan Origination Fees	15,349
Total Operating Revenues	231,701
OPERATING EXPENSES	
Program	198,360
Administration & Management	29,424
Fundraising	3,475
Total Operating Expenses	231,259
Change in Net Assets from Operations	442

FY04 STATEMENT OF FINANCIAL POSITION	
ASSETS	
Cash and equivalents	1,284,714
Loans Receivable	1,741,248
Investments	500
Prepaid Expenses	300
Net Fixed Assets	12,147
Total Assets	3,038,909
LIABILITIES	
Loans Payable	1,128,080
Other Payables	37,267
Long Term Liabilities	1,313,771
Total Liabilities	2,479,118
NET ASSETS	
Unrestricted – Operating Fund	56,753
Unrestricted – Avail for Lending	503,038
Total Net Assets	559,791
Total Liabilities and Net Assets	3,038,909