

CEDAR FUND, L.P.

Financial Statements
December 31, 2001 and 2000

Williams, Keckler & Ratcliffe, LLC
Certified Public Accountants
808 South A Street
Richmond, IN 47374

CEDAR FUND, L.P.

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Independent Auditors' Report

General and Limited Partners
Cedar Fund, L.P.
Richmond, Indiana

We have audited the accompanying statements of assets and liabilities of Cedar Fund, L.P. as of December 31, 2001 and 2000, and the related statements of investments in securities, operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cedar Fund, L.P. as of December 31, 2001 and 2000, and the results of its operations and changes in its net assets for the years then ended in conformity with generally accepted accounting principles.

Williams, Keckler + Ratcliffe, LLC

Certified Public Accountants

February 26, 2002

CEDAR FUND, L.P.
Statements of Assets and Liabilities

December 31	2001	2000
Assets		
Investments - at market value (cost - \$7,447,896 and \$7,688,255)	\$ 15,245,748	\$ 14,846,506
Cash and cash equivalents	471,815	160,002
Dividends and interest receivable	809	866
	<u>15,718,372</u>	<u>15,007,374</u>
Liabilities		
Accrued professional fees	4,600	4,600
Investment advisory fees payable	25,538	24,321
Accrued bank custodial fees	643	458
	<u>30,781</u>	<u>29,379</u>
Net Assets	<u>\$ 15,687,591</u>	<u>\$ 14,977,995</u>
Net assets applicable to general partner	\$ 108,395	\$ 100,004
Net assets applicable to limited partners	<u>15,579,196</u>	<u>14,877,991</u>
	<u>\$ 15,687,591</u>	<u>\$ 14,977,995</u>
Limited partners - units outstanding	<u>8,980.3727</u>	<u>9,058.6752</u>
Limited partners - net asset value per unit	<u>\$ 1,734.8051</u>	<u>\$ 1,642.4025</u>

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2001	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	95	\$ 493,018	\$ 7,182,000	47.1
Mutual Funds				
FPA Capital Fund, Inc.	20,300.899	560,464	573,703	3.8
Legg Mason Value Trust Fund	8,866.473	599,330	443,856	2.9
Longleaf Small Cap Fund	25,868.256	597,075	560,824	3.7
Selected American Mutual Fund	16,540.241	558,034	512,582	3.4
Sequoia Fund, Inc.	5,510.591	739,465	717,699	4.7
Tweedy Browne Global Value Fund	29,122.291	445,121	539,636	3.5
		<u>3,499,489</u>	<u>3,348,300</u>	<u>22.0</u>
Limited Partnership				
Harfam Partners	926.4318	3,455,389	4,715,448	30.9
		<u>\$ 7,447,896</u>	<u>\$ 15,245,748</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2000	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	97	\$ 503,600	\$ 6,887,000	46.4
Mutual Funds				
FPA Capital Fund, Inc.	25,927.036	755,563	577,914	3.9
Legg Mason Value Trust Fund	10,531.917	718,564	583,889	3.9
Longleaf Small Cap Fund	23,512.425	547,586	531,851	3.6
Selected American Mutual Fund	19,253.008	662,423	680,209	4.6
Sequoia Fund, Inc.	5,318.887	716,172	649,383	4.4
Tweedy Browne Global Value Fund	30,771.301	484,703	614,811	4.1
		<u>3,885,011</u>	<u>3,638,057</u>	<u>24.5</u>
Limited Partnership				
Harfam Partners	926.4318	3,299,644	4,321,449	29.1
		<u>\$ 7,688,255</u>	<u>\$ 14,846,506</u>	<u>100.00</u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Operations

Year Ended December 31	2001	2000
Investment Income		
Income		
Ordinary and capital gain dividends on mutual funds	\$ 142,558	\$ 632,277
Interest income	16,423	30,391
Partnership net investment income	155,745	425,743
Total income	<u>314,726</u>	<u>1,088,411</u>
Expenses		
Investment advisory fee	149,825	135,257
Custodial fees	7,897	6,006
Accounting and auditing fees	4,600	4,600
Total expenses	<u>162,322</u>	<u>145,863</u>
Net investment income	<u>152,404</u>	<u>942,548</u>
Realized and Unrealized Gain (Loss) on Investments		
Realized gain (loss) on security transactions		
Sales proceeds	585,760	980,437
Cost	538,661	1,098,702
Realized gain (loss)	<u>47,099</u>	<u>(118,265)</u>
Unrealized gain on investments during the year	<u>639,601</u>	<u>1,293,227</u>
Net realized and unrealized gain on investments	<u>686,700</u>	<u>1,174,962</u>
Increase in Net Assets From Operations	<u><u>\$ 839,104</u></u>	<u><u>\$ 2,117,510</u></u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Changes in Net Assets

Year Ended December 31	2001	2000
Increase in Net Assets		
From operations		
Net investment income	\$ 152,404	\$ 942,548
Realized gain (loss) from security transactions	47,099	(118,265)
Unrealized gain on investments	<u>639,601</u>	<u>1,293,227</u>
Net increase in net assets from operations	<u>839,104</u>	<u>2,117,510</u>
From partner transactions		
Capital contributions by limited partners (units - 161.4491 and 123.3479)	325,061	427,175
Capital withdrawals by limited partners (units - 239.7516 and 381.5648)	<u>(454,569)</u>	<u>(816,654)</u>
Net decrease from partner transactions	<u>(129,508)</u>	<u>(389,479)</u>
Increase in Net Assets	709,596	1,728,031
Net Assets, Beginning of Year	<u>14,977,995</u>	<u>13,249,964</u>
Net Assets, End of Year	<u><u>\$ 15,687,591</u></u>	<u><u>\$ 14,977,995</u></u>

See notes to financial statements.

CEDAR FUND, L.P.

Notes to Financial Statements

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Cedar Fund, L.P. is an Indiana limited partnership formed on July 1, 1988. The purpose of the partnership is to seek long-term capital growth by investing its assets primarily in common stocks and other equity-type securities. The general partner of Cedar Fund, L.P. is Harris Harper Counsel, Inc. At December 31, 2001, there were 45 limited partners in the Partnership. The liability of each limited partner is limited to his/her capital contributions and distributions of cash.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are carried at market value. Securities traded on a national securities exchange are valued at the last sale price on the last business day of the year. Mutual funds are valued at their net asset value on the last business day of the year. A limited partnership investment is valued at its net asset value on the last day of the year. Investment transactions are accounted for on the trade date. The net realized gain or loss on security transactions is determined for accounting and tax purposes on the specific-identification basis.

Investment Income

The Partnership follows industry practice and records security transactions on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Investment Expenses

Investment expenses are recorded on the accrual basis.

Income Tax Status

The Partnership is not subject to federal or state income tax. The partners must include their proportionate share of the Partnership's taxable income in their personal income tax returns, whether or not it is distributed to them.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits in money market accounts. At December 31, 2001, the Partnership's cash accounts were not covered by federal insurance.

Note 2 - Investment Advisory Contract

Pursuant to an investment advisory agreement, the Partnership has retained its general partner, Harris Harper Counsel, Inc., as its investment advisor. Harris Harper Counsel, Inc. provides investment advice, administrative services and facilities in return for an annual management fee of 1% of the Partnership's average monthly net asset values.

CEDAR FUND, L.P.

Notes to Financial Statements

Note 3 - Investment in Harfam Partners

The Partnership has an investment in Harfam Partners, an Indiana limited partnership. Harfam Partners owns a diversified portfolio of securities, primarily common stocks. The Partnership's investment was valued at \$4,715,448 and \$4,321,449 on December 31, 2001 and 2000. Its investment represented a 51% and 49% ownership interest in Harfam Partners at December 31, 2001 and 2000. The owners of Harris Harper Counsel, Inc., the general partner and investment advisor of Cedar Fund, L.P., are general partners in Harfam Partners. The Partnership's investment in Harfam Partners represented 31% and 29% of total assets at December 31, 2001 and 2000.

Note 4 - Major Investment

The Partnership had 47% and 46% of its total assets invested in one common stock as of December 31, 2001 and 2000.