

CEDAR FUND, L.P.

Financial Statements
Years Ended December 31, 2003 and 2002

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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, 2003 and 2002, 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 auditing standards generally accepted in the United States of America. 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, 2003 and 2002, and the results of its operations and changes in its net assets for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Ramsey, Rodefeld, Kassens & North, LLP

February 12, 2004

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

December 31	2003	2002
Assets		
Investments - at market value (cost - \$7,602,752 and \$7,472,000)	\$ 17,405,313	\$ 14,334,662
Cash and cash equivalents	142,429	457,081
Dividends and interest receivable	91	451
	17,547,833	14,792,194
Liabilities		
Accrued professional fees	4,600	4,600
Investment advisory fees payable	29,005	24,727
Accrued bank custodial fees	651	554
	34,256	29,881
Net Assets	\$ 17,513,577	\$ 14,762,313
Net assets applicable to general partner	\$ 130,322	\$ 101,236
Net assets applicable to limited partners	17,383,255	14,661,077
	\$ 17,513,577	\$ 14,762,313
Limited partners—units outstanding	8,767.6132	8,861.5198
Limited partners—net asset value per unit	\$ 1,982.6668	\$ 1,654.4563

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2003	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	93	\$ 690,424	\$ 7,835,250	45.0
Mutual Funds				
FPA Capital Fund, Inc.	19,795.153	544,178	729,451	4.2
Legg Mason Value Trust Fund	8,350.157	558,164	486,480	2.8
Longleaf Small Cap Fund	22,184.262	507,747	639,129	3.7
Selected American Mutual Fund	15,936.913	534,942	528,627	3.0
Sequoia Fund, Inc.	5,543.846	742,882	818,327	4.7
Tweedy Browne Global Value Fund	28,894.305	436,716	564,884	3.2
		<u>3,324,629</u>	<u>3,766,898</u>	<u>21.6</u>
Limited Partnership				
Harfam Partners	926.4318	3,587,699	5,803,165	33.4
		<u>\$ 7,602,752</u>	<u>\$ 17,405,313</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2002	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	93	\$ 671,964	\$ 6,765,750	47.2
Mutual Funds				
FPA Capital Fund, Inc.	19,603.127	537,281	526,540	3.7
Legg Mason Value Trust Fund	8,350.157	559,033	338,933	2.4
Longleaf Small Cap Fund	21,854.399	498,613	444,300	3.1
Selected American Mutual Fund	15,830.746	531,793	403,842	2.8
Sequoia Fund, Inc.	5,517.924	739,721	698,735	4.9
Tweedy Browne Global Value Fund	28,600.066	430,674	452,167	3.1
		<u>3,297,115</u>	<u>2,864,517</u>	<u>20.0</u>
Limited Partnership				
Harfam Partners	926.4318	3,502,921	4,704,395	32.8
		<u>\$ 7,472,000</u>	<u>\$ 14,334,662</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Operations

Year Ended December 31	2003	2002
Investment Income		
Income		
Ordinary and capital gain dividends on mutual funds	\$ 28,847	\$ 34,997
Interest income	2,719	8,109
Partnership net investment income	79,149	16,077
Total income	<u>110,715</u>	<u>59,183</u>
Expenses		
Investment advisory fee	153,275	149,515
Custodial fees	6,949	7,154
Accounting and auditing fees	4,600	4,600
Total expenses	<u>164,824</u>	<u>161,269</u>
Net investment loss	<u>(54,109)</u>	<u>(102,086)</u>
Realized and Unrealized Gain (Loss) on Investments		
Realized gain on security transactions		
Sales proceeds		348,345
Cost		246,609
Realized gain		101,736
Unrealized gain (loss) on investments during the year	<u>2,939,899</u>	<u>(935,190)</u>
Net realized and unrealized gain (loss) on investments	<u>2,939,899</u>	<u>(833,454)</u>
Increase (Decrease) in Net Assets From Operations	<u>\$ 2,885,790</u>	<u>\$ (935,540)</u>

See notes to financial statements.

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

Year Ended December 31	2003	2002
Increase (Decrease) in Net Assets		
From operations		
Net investment loss	\$ (54,109)	\$ (102,086)
Realized gain from security transactions		101,736
Unrealized gain (loss) on investments	<u>2,939,899</u>	<u>(935,190)</u>
Net increase (decrease) in net assets from operations	<u>2,885,790</u>	<u>(935,540)</u>
From partner transactions		
Capital contributions by limited partners (units - 66.8883 and 251.1510)	128,092	427,985
Capital withdrawals by limited partners (units - 160.7949 and 370.0039)	<u>(262,618)</u>	<u>(417,723)</u>
Net increase (decrease) from partner transactions	<u>(134,526)</u>	<u>10,262</u>
Increase (Decrease) in Net Assets	2,751,264	(925,278)
Net Assets, Beginning of Year	<u>14,762,313</u>	<u>15,687,591</u>
Net Assets, End of Year	<u>\$ 17,513,577</u>	<u>\$ 14,762,313</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, 2003, there were 44 limited partners in the Partnership. The liability of each limited partner is limited to the value of his/her units of ownership.

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, 2003, the Partnership's cash accounts were not covered by federal insurance.

Note 2 - Investment Advisory Agreement

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 \$5,803,165 and \$4,704,395 on December 31, 2003 and 2002. Its investment represented a 51% ownership interest in Harfam Partners at December 31, 2003 and 2002. 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 approximately 33% of total investment assets at December 31, 2003 and 2002.

Note 4 - Major Investment

The Partnership had 45% and 47% of its total investment assets in one common stock as of December 31, 2003 and 2002.