

CEDAR FUND, L.P.

Financial Statements
Years Ended December 31, 2007 and 2006

Ramsey, Rodefeld, Kassens & North, LLP
CPAs and Business Advisors
808 South A Street, Suite 1
Richmond, IN 47374

CEDAR FUND, L.P.

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements	
Statements of assets and liabilities	2
Investments in securities	3 - 4
Statements of operations	5
Statements of changes in net assets	6
Notes to financial statements	7 - 8



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, 2007 and 2006, 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, 2007 and 2006, 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 21, 2008

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

December 31	2007	2006
Assets		
Investments - at market value (cost - \$16,040,854 and \$14,763,450)	\$ 29,194,385	\$ 26,999,346
Cash and cash equivalents	1,232,056	1,481,604
Dividends and interest receivable	3,659	5,996
	30,430,100	28,486,946
Liabilities		
Accrued professional fees	4,800	4,700
Investment advisory fees payable	54,394	50,720
Accrued bank custodial fees	1,740	1,720
	60,934	57,140
Net Assets	\$ 30,369,166	\$ 28,429,806
Net assets applicable to general partner	\$ 220,106	\$ 187,801
Net assets applicable to limited partners	30,149,060	28,242,005
	\$ 30,369,166	\$ 28,429,806
Limited partners-units outstanding	10,578.5616	11,063.6194
Limited partners-net asset value per unit	\$ 2,850.0150	\$ 2,552.6913

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2007	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	70	\$ 701,978	\$ 9,912,000	33.9
Private Capital Management - common stock portfolio		<u>1,080,928</u>	<u>1,191,234</u>	<u>4.1</u>
		<u>1,782,906</u>	<u>11,103,234</u>	<u>38.0</u>
Mutual Funds				
Artisan International Value Fund	42,018.508	1,147,034	1,072,312	3.7
Fairholme Fund	37,385.179	1,040,695	1,191,092	4.1
First Eagle Global Fund	51,170.132	2,323,168	2,297,539	7.9
FPA Capital Fund, Inc.	37,958.449	1,269,450	1,393,455	4.8
FPA Crescent Portfolio	54,576.035	1,279,273	1,380,228	4.7
Longleaf Small Cap Fund	37,785.382	952,238	1,021,717	3.5
Tweedy Browne Global Value Fund	33,796.690	583,956	1,010,859	3.4
		<u>8,595,814</u>	<u>9,367,202</u>	<u>32.1</u>
Limited Partnership				
Harfam Partners	926.4318	5,662,134	8,723,949	29.9
		<u>\$ 16,040,854</u>	<u>\$ 29,194,385</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Investments in Securities

December 31, 2006	Number of Shares/Units	Cost	Value	Percent of Total Value
Common Stock				
Berkshire Hathaway, Inc.	80	\$ 794,545	\$ 8,799,200	32.6
Private Capital Management - common stock portfolio		<u>1,168,380</u>	<u>1,363,342</u>	<u>5.0</u>
		<u>1,962,925</u>	<u>10,162,542</u>	<u>37.6</u>
Mutual Funds				
Artisan International Value Fund	38,650.503	1,062,801	1,079,509	4.0
Fairholme Fund	36,568.799	1,014,979	1,060,129	3.9
First Eagle Global Fund	45,644.957	2,073,864	2,090,539	7.7
FPA Capital Fund, Inc.	33,757.411	1,107,783	1,398,907	5.2
FPA Crescent Portfolio	48,935.795	1,133,170	1,291,905	4.8
Longleaf Small Cap Fund	32,997.044	813,873	993,871	3.7
Tweedy Browne Global Value Fund	30,390.806	481,580	939,988	3.5
		<u>7,688,050</u>	<u>8,854,848</u>	<u>32.8</u>
Limited Partnership				
Harfam Partners	926.4318	5,112,475	7,981,956	29.6
		<u>\$ 14,763,450</u>	<u>\$ 26,999,346</u>	<u>100.0</u>

See notes to financial statements.

CEDAR FUND, L.P.
Statements of Operations

Year Ended December 31	2007	2006
Investment Income		
Income		
Ordinary and capital gain dividends on mutual funds	\$ 931,310	\$ 610,821
Interest income	56,601	41,265
Partnership net investment income	545,058	900,942
Total income	<u>1,532,969</u>	<u>1,553,028</u>
Expenses		
Investment advisory fees	306,884	246,117
Custodial fees	21,090	13,485
Accounting and auditing fees	5,190	4,800
Total expenses	<u>333,164</u>	<u>264,402</u>
Net investment income	<u>1,199,805</u>	<u>1,288,626</u>
Realized and Unrealized Gain on Investments		
Realized gain on security transactions		
Sales proceeds	1,702,038	671,121
Cost	604,058	250,135
Realized gain	<u>1,097,980</u>	<u>420,986</u>
Unrealized gain on investments during the year	<u>917,635</u>	<u>1,986,592</u>
Net realized and unrealized gain on investments	<u>2,015,615</u>	<u>2,407,578</u>
Increase in Net Assets From Operations	<u>\$ 3,215,420</u>	<u>\$ 3,696,204</u>

See notes to financial statements.

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

Year Ended December 31	2007	2006
Increase in Net Assets		
From operations		
Net investment income	\$ 1,199,805	\$ 1,288,626
Realized gain from security transactions	1,097,980	420,986
Unrealized gain on investments	917,635	1,986,592
Net increase in net assets from operations	<u>3,215,420</u>	<u>3,696,204</u>
From partner transactions		
Capital contributions by limited partners (units - 35.2826 and 2,157.8371)	56,185	4,479,325
Capital withdrawals by limited partners (units - 520.3404 and 534.9279)	<u>(1,332,245)</u>	<u>(643,705)</u>
Net increase (decrease) from partner transactions	<u>(1,276,060)</u>	<u>3,835,620</u>
Increase in Net Assets	1,939,360	7,531,824
Net Assets, Beginning of Year	<u>28,429,806</u>	<u>20,897,982</u>
Net Assets, End of Year	<u>\$ 30,369,166</u>	<u>\$ 28,429,806</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. During 2007, there were 57 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, 2007, 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. The investment advisory fees were \$292,301 and \$232,798 for the years ended December 31, 2007 and 2006.

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 \$8,723,949 and \$7,981,956 on December 31, 2007 and 2006. Its investment represented a 52% ownership interest in Harfam Partners at December 31, 2007 and 2006. 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 30% of total investment assets at December 31, 2007 and 2006.

Note 4 - Major Investment

The Partnership had 34% and 33% of its total investment assets in one common stock as of December 31, 2007 and 2006, respectively.