



Report of Independent Auditors

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The Board of Trustees
Peace Equity Access for Community Empowerment
(PEACE) Foundation, Inc.
(A Non-stock, Nonprofit Organization)
No. 69 Esteban Abada Street
Loyola Heights, Quezon City

Report on the Financial Statements

We have audited the accompanying financial statements of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc., which comprise the statements of financial position as at December 31, 2009 and 2008, and the statements of comprehensive income, changes in fund balances and cash flows for the years then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

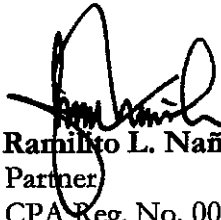
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Peace Equity Access for Community Empowerment (PEACE) Foundation, Inc. as of December 31, 2009 and 2008, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary Schedules I to IV of the Foundation as at December 31, 2009 and for the year then ended as required by the Securities and Exchange Commission, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in such supplementary schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741

TIN 109-228-427

PTR No. 2087618, January 4, 2010, Makati City

Partner's SEC Accreditation No. 0395-AR -1

BIR AN 08-002511-19-2009 (Sept. 16, 2009 to 2012)

Firm BOA/PRC Cert. of Reg. No. 0002

Firm SEC Accreditation No. 0002-FR-2

March 25, 2010