

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)
FOUNDATION, INC.**
(A Non-stock, Nonprofit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES
DECEMBER 31, 2007 AND 2006
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	4	P 20,765,992	P 5,292,836
Loans and receivables - net	5	73,036,691	57,575,402
Available-for-sale financial assets	6	<u>1,544,748,393</u>	<u>1,640,914,202</u>
Total Current Assets		<u>1,638,551,076</u>	<u>1,703,782,440</u>
NON-CURRENT ASSETS			
Loans and receivables - net	5	123,365,302	86,979,438
Property and equipment - net	7	37,736,546	32,256,974
Investment property	8	<u>3,145,789</u>	<u>3,145,789</u>
Total Non-current Assets		<u>164,247,637</u>	<u>122,382,201</u>
TOTAL ASSETS		<u>P 1,802,798,713</u>	<u>P 1,826,164,641</u>
<u>LIABILITIES AND FUND BALANCE</u>			
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other liabilities	9	P 7,757,273	P 19,316,894
Grants payable	10	48,934,613	80,205,835
Funds held in trust	11	<u>64,716,097</u>	<u>28,114,042</u>
Total Current Liabilities		<u>121,407,983</u>	<u>127,636,771</u>
FUND BALANCES			
Unrestricted		13,206,839	30,919,038
Restricted		<u>1,668,183,891</u>	<u>1,667,608,832</u>
TOTAL FUND BALANCES		<u>1,681,390,730</u>	<u>1,698,527,870</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>P 1,802,798,713</u>	<u>P 1,826,164,641</u>

See Notes to Financial Statements.

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)
FOUNDATION, INC.**
(A Non-stock, Nonprofit Organization)
REVENUES AND EXPENSES STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
REVENUES , GAINS AND OTHER SUPPORTS			
Investment income - net		P 209,666,605	P 224,907,723
Interest income		15,249,569	13,747,944
Reversal of impairment losses	5	3,685,527	-
Others - net		1,931,174	532,687
		<u>230,532,875</u>	<u>239,188,354</u>
EXPENSES			
Foreign exchange losses		93,380,745	56,080,700
Grants		44,649,160	127,645,937
Project expenses	12	37,640,690	35,329,515
General and administrative	13	10,717,875	8,540,216
Depreciation	7	3,014,850	2,846,930
Impairment losses	5	2,352,105	6,829,151
		<u>191,755,425</u>	<u>237,272,449</u>
EXCESS OF REVENUES OVER EXPENSES		<u>P 38,777,450</u>	<u>P 1,915,905</u>

See Notes to Financial Statements.

PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE) FOUNDATION, INC.
(A Non-stock, Nonprofit Organization)
STATEMENTS OF CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Amounts in Philippine Pesos)

	Notes	Unrestricted Fund					
		Members' Contribution	Cumulative Excess (Deficiency) of Revenues over Expenses	Revaluation Reserve on Available-for-sale Financial Assets	Total Unrestricted	Restricted Fund	Total
Balance at January 1, 2007		P 100,000	(P 58,394,336)	P 89,213,374	P 30,919,038	P 1,667,608,832	P 1,698,527,870
Excess of revenues over expenses for the year	1	-	38,777,450	-	38,777,450	-	38,777,450
Fair value adjustments	3	-	-	(55,914,590)	(55,914,590)	-	(55,914,590)
Provision for cost of inflation	1	-	(575,059)	-	(575,059)	575,059	-
Balance at December 31, 2007		<u>P 100,000</u>	<u>(P 20,191,945)</u>	<u>P 33,298,784</u>	<u>P 13,206,839</u>	<u>P 1,668,183,891</u>	<u>P 1,681,390,730</u>
Balance at January 1, 2006		P 100,000	P 18,689,759	P 21,729,777	P 40,519,536	P 1,588,608,832	P 1,629,128,368
Excess of revenues over expenses for the year	1	-	1,915,905	-	1,915,905	-	1,915,905
Fair value adjustments	3	-	-	67,483,597	67,483,597	-	67,483,597
Provision for cost of inflation	1	-	(79,000,000)	-	(79,000,000)	79,000,000	-
Balance at December 31, 2006		<u>P 100,000</u>	<u>(P 58,394,336)</u>	<u>P 89,213,374</u>	<u>P 30,919,038</u>	<u>P 1,667,608,832</u>	<u>P 1,698,527,870</u>

See Notes to Financial Statements.

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)
FOUNDATION, INC.**
(A Non-stock, Nonprofit Organization)
CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses		P 38,777,450	P 1,915,905
Adjustments for:			
Investment and interest income		(224,916,174)	(238,655,667)
Unrealized foreign exchange losses		93,380,745	51,279,136
Reversal of impairment losses	5	(3,685,527)	-
Depreciation	7	3,014,850	2,846,930
Impairment losses	5	2,352,105	6,829,151
Provision for retirement benefits	14	390,050	(268,412)
Contributions to retirement fund	14	(114,216)	(318,401)
Loss on disposal of property and equipment		-	56,347
Operating loss before working capital changes		(90,800,717)	(176,315,011)
Increase in loans and receivables		(48,047,410)	(14,742,497)
Increase in available-for-sale financial assets		(55,481,631)	(101,281,226)
Increase (decrease) in accounts payable, accrued expenses and other liabilities		(11,949,671)	6,114,648
Increase (decrease) in grants payable		(31,271,222)	31,423,867
Increase in unused project funds		36,602,055	28,114,042
Net Cash Used in Operating Activities		(200,948,596)	(226,686,177)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment and interest income received		224,916,174	238,655,667
Acquisitions of property and equipment	7	(11,521,139)	(13,815,681)
Proceeds from sale of property and equipment	7	3,026,717	83,109
Increase in investment property	8	-	(480,258)
Net Cash From Investing Activities		216,421,752	224,442,837
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		15,473,156	(2,243,340)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	5,292,836	7,536,176
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P 20,765,992	P 5,292,836

See Notes to Financial Statements.