

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)
FOUNDATION, INC.**
(A Non-stock, Nonprofit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES
DECEMBER 31, 2008 AND 2007
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2008</u>	<u>2007</u> (As restated - see Note 18)
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	4	P 60,430,996	P 20,765,992
Loans and receivables - net	5	76,675,674	73,036,691
Available-for-sale financial assets	6	<u>1,107,524,979</u>	<u>1,544,748,393</u>
Total Current Assets		<u>1,244,631,649</u>	<u>1,638,551,076</u>
NON-CURRENT ASSETS			
Loans and receivables - net	5	75,748,858	123,365,302
Property and equipment - net	7	37,231,013	37,736,546
Investment properties	8	<u>4,845,789</u>	<u>3,145,789</u>
Total Non-current Assets		<u>117,825,660</u>	<u>164,247,637</u>
TOTAL ASSETS		<u>P 1,362,457,309</u>	<u>P 1,802,798,713</u>
<u>LIABILITIES AND FUND BALANCE</u>			
CURRENT LIABILITIES			
Accounts payable, accrued expenses and other liabilities	9	P 6,232,885	P 7,757,273
Grants payable	10	18,085,829	48,934,613
Funds held in trust	11	<u>88,792,390</u>	<u>64,716,097</u>
Total Current Liabilities		<u>113,111,104</u>	<u>121,407,983</u>
FUND BALANCES			
Restricted		1,318,371,694	1,668,183,891
Unrestricted		(<u>69,025,489</u>)	<u>13,206,839</u>
TOTAL FUND BALANCES		<u>1,249,346,205</u>	<u>1,681,390,730</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>P 1,362,457,309</u>	<u>P 1,802,798,713</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, 2008 AND 2007
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2008</u>	2007 (As restated - see Note 18)
REVENUES , GAINS AND OTHER SUPPORTS			
Foreign exchange gains		P 46,513,769	P -
Interest income		10,970,014	14,471,252
Reversal of impairment losses	5	3,001,461	3,685,527
Investment income		-	209,666,605
Others - net		<u>607,075</u>	<u>588,580</u>
		<u>61,092,319</u>	<u>228,411,964</u>
EXPENSES			
Investment loss		66,512,053	-
Grants		47,032,751	44,214,160
Project expenses	12	32,309,592	36,004,435
General and administrative	13	10,522,387	10,717,875
Impairment losses	5	5,223,173	2,352,105
Depreciation	7	3,335,708	2,969,332
Foreign exchange losses		<u>-</u>	<u>89,770,936</u>
		<u>164,935,664</u>	<u>186,028,843</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		(P 103,843,345)	P 42,383,121

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, 2008 AND 2007
(Amounts in Philippine Pesos)

	Notes	Unrestricted Fund					Restricted Fund	Total
		Members' Contribution	Cumulative Excess (Deficiency) of Revenues over Expenses	Revaluation Reserve on Available-for-sale Financial Assets	Total Unrestricted			
Balance at January 1, 2008								
As previously reported		P 100,000	(P 20,191,945)	P 29,693,113	P 9,601,168	P 1,668,183,891	P 1,677,785,059	
Prior-period adjustment	18	-	3,605,671	-	3,605,671	-	3,605,671	
As restated		<u>100,000</u>	(<u>16,586,274</u>)	<u>29,693,113</u>	<u>13,206,839</u>	<u>1,668,183,891</u>	<u>1,681,390,730</u>	
Deficiency of revenues over expenses for the year		-	(103,843,345)	-	(103,843,345)	-	(103,843,345)	
Fair value adjustments		-	-	(328,201,180)	(328,201,180)	-	(328,201,180)	
Reversal of cost of inflation		-	349,812,197	-	349,812,197	(349,812,197)	-	
Balance at December 31, 2008		<u>P 100,000</u>	<u>P 229,382,578</u>	<u>(P 298,508,067)</u>	<u>(P 69,025,489)</u>	<u>P 1,318,371,694</u>	<u>P 1,249,346,205</u>	
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	-	42,383,121	-	42,383,121	-	42,383,121	
Fair value adjustments		-	-	(59,520,261)	(59,520,261)	-	(59,520,261)	
Provision for cost of inflation		-	(575,059)	-	(575,059)	575,059	-	
Balance at December 31, 2007, as restated	21	<u>P 100,000</u>	(<u>P 16,586,274</u>)	<u>P 29,693,113</u>	<u>P 13,206,839</u>	<u>P 1,668,183,891</u>	<u>P 1,681,390,730</u>	

See Notes to Financial Statements.

**PEACE EQUITY ACCESS FOR COMMUNITY EMPOWERMENT (PEACE)
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(A Non-stock, Nonprofit Organization)
CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2008</u>	2007 (As restated - see Note 18)
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses		(P 103,843,345)	P 42,383,121
Adjustments for:			
Investment loss (income)		66,512,053	(209,666,605)
Unrealized foreign exchange losses (gains)		(46,478,080)	89,770,936
Interest income		(10,970,014)	(14,471,252)
Impairment losses	5	5,223,173	2,352,105
Depreciation	7	3,415,536	3,014,850
Reversal of impairment losses	5	(3,001,461)	(3,685,527)
Contributions to retirement fund	14	(580,390)	(114,216)
Gain on disposal of property and equipment	7	(345,125)	(17,171)
Provision for retirement benefits	14	325,522	390,050
Operating loss before working capital changes		(89,742,131)	(90,043,709)
Decrease (increase) in loans and receivables		47,559,312	(48,047,410)
Decrease (increase) in available-for-sale financial assets		150,277,141	(55,477,493)
Decrease in accounts payable, accrued expenses and other liabilities		(1,849,910)	(11,949,671)
Decrease in grants payable		(30,848,784)	(31,271,222)
Increase in funds held-in-trust		24,076,293	36,602,055
Net Cash From (Used in) Operating Activities		<u>99,471,921</u>	(<u>200,187,450</u>)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment and interest income received		(55,542,039)	224,137,857
Acquisitions of property and equipment	7	(3,169,067)	(8,654,476)
Increase in investment property	8	(1,700,000)	-
Proceeds from sale of property and equipment	7	604,189	177,225
Net Cash From (Used in) Investing Activities		(<u>59,806,917</u>)	<u>215,660,606</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		39,665,004	15,473,156
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	<u>20,765,992</u>	<u>5,292,836</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	<u>P 60,430,996</u>	<u>P 20,765,992</u>

See Notes to Financial Statements.