

Saorsa

The statement of cash receipts and disbursements

of the project "Strengthening of regional feminist leadership for
the construction of non-violent culture in the Adjara region"
SIDA/II/23/08

for the period
from November 15, 2023
to June 15, 2024

and
The report of independent auditors

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THE STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management of **Saorsa** is responsible for the preparation of the statement of cash receipts and disbursements of the project "Strengthening of regional feminist leadership for the construction of non-violent culture in the Adjara region" (Sida/II/23/08) funded by the Women's Fund in Georgia (the "Donor") that complies with the requirements of the Grant Agreement between the Women's Fund in Georgia and Saorsa (the "Organization").

The management of **Saorsa** is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates, which are reasonable and prudent.

The management is responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the grant. It has general responsibility for taking such steps as reasonably open to them to safeguard the assets of the grant and to prevent and detect fraud and other irregularities.



Lia Futkaradze
Executive Director
Saorsa
July 02, 2024

Maguli Samnidze
Financial Manager
Saorsa

THE STATEMENT OF MANAGEMENT’S RESPONSIBILITY

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Lia Futkaradze
Executive Director
Saorsa
July 02, 2024

Maguli Samnidze
Financial Manager
Saorsa

THE REPORT OF INDEPENDENT AUDITORS**To the management of Saorsa**

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Opinion

We have audited the accompanying statement of cash receipts and disbursements of the project “Strengthening of regional feminist leadership for the construction of non-violent culture in the Adjara region” (Sida/II/23/08) for the period from November 15, 2023 to June 15, 2024 implemented by Saorsa (the “Organization”) under financial support of the Women’s Fund in Georgia (the “Donor”).

In our opinion, the accompanying statement of cash receipts and disbursements of the project “Strengthening of regional feminist leadership for the construction of non-violent culture in the Adjara region” (Sida/II/23/08) incurred from November 15, 2023 to June 15, 2024, is prepared in all material respects in accordance with accounting policy described in Note 3 and terms of the Grant Agreement between the Women’s Fund in Georgia and Saorsa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 800/805 (Revised) – “The Auditor’s Report on Special Purpose Audit Engagements” and other relevant International Standards on Auditing issued by the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the statement of cash receipts and disbursements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the **statement of cash receipts and disbursements** in Georgia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw our attention to Note 3 to the statement of cash receipts and disbursements, which describes the basis of accounting. The statement of cash receipts and disbursements are prepared to assist the Organization in complying with the financial reporting provisions of the Grant Agreement between the Women’s Fund in Georgia and Saorsa. As a result, the statement of cash receipts and disbursements may not be suitable for any other purpose. Our report is intended solely for Saorsa and the Women’s Fund in Georgia and should not be distributed to or used by parties other than these parties. Our opinion is not modified in respect of this matter.

Responsibilities of for the statement of cash receipts and disbursements

Management is responsible for the preparation of the accompanying statement of cash receipts and disbursements in accordance with the accounting policy described in Note 3 and the terms of the Grant Agreement between the Women’s Fund in Georgia and Saorsa and for such internal control as management determines is necessary to enable the preparation of a statement of cash receipts and disbursements that are free from material misstatement, whether due to fraud or error.

In preparing the statement of cash receipts and disbursements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concerned and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Auditors’ responsibility for the audit of the statement of cash receipts and disbursements

Our objectives are to obtain reasonable assurance about whether the statement of cash receipts and disbursements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of cash receipts and disbursements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of cash receipts and disbursements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE REPORT OF INDEPENDENT AUDITORS (Continued)

Auditors' responsibility for the audit of the statement of cash receipts and disbursements (Continued)

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement of cash receipts and disbursements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Sopho Abaiadze / Certified Auditor / Partner

Audit firm registration number: SARAS-F-320544
Auditor's registration number: SARAS-A-417263

July 02, 2024
Tbilisi, Georgia



THE STATEMENT OF CASH RECEIPTS

Donor	Date of Transfer	Approved Budget (EUR)	Total Received Amount (EUR)	Exchange Rate	Total Received Amount (GEL)
Women's Fund in Georgia	01-Dec-2023	10,000.00	10,000.00	2.8670	28,670.00
Total		10,000.00	10,000.00		28,670.00

The statement of cash receipts was approved and signed on July 02, 2024 by:



Lia Futkaradze
Executive Director
Saorsa
July 02, 2024



Maguli Samnidze
Financial Manager
Saorsa

NOTE 1: ABOUT THE ORGANIZATION

Saorsa (the "Organization") was founded in 2018. "Saorsa" provides professional counseling to students of general education, higher and vocational schools, including women, in the direction of professional orientation and career planning, in the development of skills and abilities necessary for employment and self-employment.

The goal of the organization

- Promotion of professional and career development of people,
- Creation of a strong professional network of the state, educational institutions, employers and job seekers,
- Promoting the introduction of decent working conditions,
- Support in creating an environment free from discrimination and harassment at workplaces and
- Encouraging the participation of youth and women in socio-economic processes and strengthening their involvement.

NOTE 2: GRANT'S BACKGROUND

Saorsa has received a grant from the Women's Fund in Georgia for the project "Strengthening of regional feminist leadership for the construction of non-violent culture in the Adjara region" (Sida/II/23/08). The duration of the project was 7 months (15.11.2023-15.06.2024). To carry out the project, the "Women's Fund in Georgia" granted the Organization an Saorsa with a grant of 10,000 EUR under the terms of the agreement signed on November 15, 2023.

The goal of the project was to empower people, young girls and women living in 50 villages of the Adjara region, to build feminist leadership and establish a non-violent environment.

The project objectives were:

- Conducting an educational campaign in 50 villages of Kobuleti, Khelvachauri, Kedi, Shuakhevi and Khulo,
- Within the framework of the campaign, preparing 50 photos with feminist themes and holding a public exhibition,
- Announcing the short film competition and organizing the award ceremony at the closing event of the project.

Targeted groups:

Young girls and women living in rural areas of Adjara region.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying statement has been prepared on the cash basis of accounting. Under this basis of accounting, revenue is recognized as received rather than earned and expenses are recognized when paid rather than incurred.

Reporting currency

The Organization's operational currency is the Georgian Lari (GEL). The project budget was agreed in Euro (EUR). As a result, the organization submitted a cash receipts and disbursements statement in Euro.(EUR/GEL = 2.8670.)

NOTE 4: FUND BALANCE

Description	Amount in EUR
Opening balance	-
Total income received	10,000.00
Total cost incurred	(9,999.85)
Fund balance	0.15

NOTE 5: TAXES

N(N)LE "Saorsa", as a non-governmental, non-profit organization, pays the following taxes:

Income tax (resident – 20 %/non-residentt - 10%) - this tax is paid from the entire salary and the benefits that are given to the employees in accordance with the tax legislation of Georgia.

Pension scheme - On 21 June, 2018 Georgia established a new law about pension fund, which came into force from 1 January, 2019. Aggregated pension scheme takes into account 6% payment. In particular, employee will transfer 2% of his/her taxable salaries to individual pension account, employer will also transfer additional 2%, whereas from public finance will be transferred another 2%, the Organization will transfer 2% as employer and these payments are not presented in the financial statement for the year ended 31 December, 2018.

NOTE 6: EVENTS AFTER THE REPORTING DATE

There have been no other events after the reporting period which require additional disclosures or adjustments to these statements of cash receipts and payments.

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As part of the audit, we have done additional procedures according to agreed upon procedures ISRS 4400. This procedures were done in accordance with Sida's Terms of Reference for Annual Audit of Project Funded Support.

Procedures performed

We have performed the following procedures:

1. Observed whether the financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. Observed and inspected whether the financial report provides information regarding:
 - a. Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement;
 - b. The opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period;
 - c. A disclosure of exchange gains/losses. We also inquired and confirmed that the disclosure includes the entire chain of currency exchange from Sida's disbursement to the handling of the project/program within the organisation in local currency, where applicable;
 - d. Explanatory notes (such as, for instance, accounting principles applied for the financial report);
 - e. Amount of funds that has been forwarded to implementing partners, when applicable.
3. We have performed the following procedures regarding salary costs:
 - a. Inquired and inspected with what frequency salary costs during the reporting period are debited to the project/program;

Based on a sample of three individuals for three different months:
 - b. Inquired and inspected whether there are supporting documentation for debited salary costs;
 - c. Inquired and inspected whether actual time worked is documented and verified by a manager. Inquired and inspected within which frequency reconciliations between debited time and actual worked time are performed;
 - d. Inspected whether the Cooperation partner comply with applicable tax legislation with regard to personal income taxes (PAYE) and social security fees.
4. We have performed the following procedures regarding fund balance:
 - a. Inspected and confirmed that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.
 - b. Applicable the final year:** Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to Sida.

Procedures performed (Continued)

We report our findings below:

1. The financial report is structured in a way that allows for direct comparison with the latest approved budget.
2. We observed and inspected that the financial report provides information about:
 - a. Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under the current agreement;
 - b. *Not applicable (No previous period, project started on November 15, 2023)*
 - c. The disclosure of exchange gains/losses. We also inquired and confirmed that the disclosure includes the entire chain of currency exchange from Sida disbursement to the handling of the project within the organisation in local currency;
 - d. Explanatory notes (such as, information about Organization, information about the project background, significant accounting policies);
 - e. *Not applicable.*
3. Regarding salary costs we inquired and inspected that:
 - a. The Salary costs were debited to the project/program monthly.

Based on a sample of three individuals for three months we inquired and inspected that:
 - b. The debited salary costs were supported with the sufficient documentation;
 - c. Actual time worked as documented and verified by a manager. As well as the reconciliations between debited time and actual worked time were performed
 - d. The costs for benefits and salary taxes within the project/programme were in line with the Organization's general regulations and comply with the applicable tax legislation concerning taxes and social security fees;
4. Regarding fund balance we found out that:
 - a) At the end of the financial year the unspent fund balance was in line with the information provided in the bank account.
 - b) **Applicable the final year:** The total unspent fund balance reported in the financial report represents 0.15 EUR.

Auditor's Name:
Sopho Abaiadze / Certified Auditor / Partner

Date:
July 02, 2024

