



























# SUSTAINABLE ORGANIC INTEGRATED LIVELIHOODS

## Notes to Financial Statements

### (8) Future Accounting Pronouncements (continued)

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The provisions of ASU 2018-08 are effective for years beginning after December 15, 2019. The Organization has not yet evaluated the impact of this statement.

### (9) Subsequent Events

#### Uncertainties relating to COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

The Organization's operations are heavily dependent on private and public donations from individuals, foundations, and corporations. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. As such, the Organization's financial condition and liquidity may be negatively impacted in fiscal year 2021.

#### Unexpected currency fluctuation

In a two-week period during September 2020 Haiti experienced an unprecedented appreciation of the Haitian Gourde (HTG) relative to the U.S. Dollar (USD) from 117 HTG/USD to 62 HTG/USD. This has created challenges in that most of the Organization's revenue is in USD but a large portion of the expenses are in HTG. This has increased the Organization's 2021 annual budget by approximately 20% and made financial projections difficult. Although the Haitian currency has now lost some of its value (approximately 91 HTG/USD as of June 1, 2021), it remains difficult to predict how the macroeconomic context may impact spending for the remainder of fiscal year 2021.

#### Settlement of Claim

In December 2020, SOIL was served with a worker's compensation claim. The Organization and plaintiff have negotiated a settlement that will be covered by the Organization's available cash resources.