



**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**For the Years Ended
December 31, 2020 and 2019**

MARIAN HOMES, INC.
FINANCIAL STATEMENTS
December 31, 2020 and 2019
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors Marian Homes, Inc. Fairfax, Virginia

We have audited the accompanying financial statements of Marian Homes, Inc., a nonprofit organization, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 auditors' 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 referred to above present fairly, in all material respects, the financial position of Marian Homes, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
October 2, 2021

MARIAN HOMES, INC.
Statements of Financial Position
December 31, 2020 and 2019

	ASSETS		2020		2019
<u>Assets:</u>					
Cash and cash equivalents		\$	125,418	\$	98,396
Investments, at fair value			299,460		327,751
Prepaid mortgage payments and other deposits			-		21,847
Property and equipment, at cost, net of accumulated depreciation			2,731,486		2,293,512
Land			1,321,442		1,102,442
			<u>1,321,442</u>		<u>1,102,442</u>
Total assets			<u>\$4,477,806</u>		<u>\$3,843,948</u>
LIABILITIES AND NET ASSETS					
<u>Liabilities:</u>					
Deferred rent revenue		\$	-	\$	14,460
Notes payable, net of note discounts			1,412,098		1,140,574
			<u>1,412,098</u>		<u>1,155,034</u>
Total liabilities			1,412,098		1,155,034
Net assets without donor restrictions			<u>3,065,708</u>		<u>2,688,914</u>
Total liabilities and net assets			<u>\$4,477,806</u>		<u>\$3,843,948</u>

MARIAN HOMES, INC.
Statements of Activities
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Without donor restrictions:		
<u>Revenue and Support:</u>		
Contributions	\$ 377,360	\$ 481,874
Rental income	171,991	153,187
Fundraising events and other	22,580	28,890
Investment income, net	56,854	72,598
Other loss	-	(29,975)
Total revenue and support	<u>628,785</u>	<u>706,574</u>
 <u>Expenses:</u>		
Program services	195,317	162,509
Supporting services	<u>56,674</u>	<u>49,554</u>
Total expenses	251,991	212,063
 Change in net assets	 376,794	 494,511
 Net assets, beginning of year	 <u>2,688,914</u>	 <u>2,194,403</u>
 Net assets, end of year	 <u><u>\$3,065,708</u></u>	 <u><u>\$2,688,914</u></u>

MARIAN HOMES, INC.
Statements of Functional Expenses
For the years ended December 31, 2020 and 2019

	2020											
	Program Services							Supporting Services				
	Marian House	Regina House	Queen of Peace House	Queen of Hope	Mother of Mercy	Our Lady of Light	Mother of Good Counsel	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Depreciation	\$ 9,050	\$ 9,282	\$ 12,630	\$ 13,851	\$ 14,126	\$ 12,543	\$ 11,524	\$ 83,006	\$ -	\$ -	\$ -	\$ 83,006
Mortgage interest	6,513	1,213	7,527	10,433	7,741	12,946	8,893	55,266	-	-	-	55,266
Real estate taxes	-	6,943	7,175	5,855	7,439	7,391	6,658	41,461	-	-	-	41,461
Fundraising	-	-	-	-	-	-	-	-	-	6,970	6,970	6,970
Repairs and maintenance	8,473	1,747	1,448	100	752	1,708	-	14,228	-	-	-	14,228
Insurance	-	-	-	-	-	-	1,181	1,181	12,987	-	12,987	14,168
Professional fees	-	-	-	-	-	-	-	-	21,340	-	21,340	21,340
Travel and meetings	-	-	-	-	-	-	-	-	2,953	-	2,953	2,953
Event food beverage	-	-	-	-	-	-	-	-	-	1,867	1,867	1,867
Parking and utilities	-	-	-	-	-	-	175	175	-	-	-	175
Printing and copying	-	-	-	-	-	-	-	-	3,100	-	3,100	3,100
Advertising	-	-	-	-	-	-	-	-	981	-	981	981
Other administrative	-	-	-	-	-	-	-	-	6,476	-	6,476	6,476
Total Expenses	\$ 24,036	\$ 19,185	\$ 28,780	\$ 30,239	\$ 30,058	\$ 34,588	\$ 28,431	\$ 195,317	\$ 47,837	\$ 8,837	\$ 56,674	\$ 251,991

(Continued)

MARIAN HOMES, INC.
Statements of Functional Expenses
For the years ended December 31, 2020 and 2019

	2019										
	Program Services						Supporting Services				
	Marian House	Regina House	Queen of Peace House	Queen of Hope	Mother of Mercy	Our Lady of Light	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Depreciation	\$ 9,057	\$ 9,168	\$ 12,637	\$ 11,861	\$ 14,126	\$ 12,541	\$ 69,390	\$ -	\$ -	\$ -	\$ 69,390
Mortgage interest	7,827	1,858	7,269	9,523	7,475	12,997	46,949	-	-	-	46,949
Real estate taxes	-	6,785	7,175	4,952	7,153	7,213	33,278	-	-	-	33,278
Fundraising	-	-	-	-	-	-	-	-	12,930	12,930	12,930
Repairs and maintenance	2,365	3,612	1,360	510	1,355	669	9,871	1,505	-	1,505	11,376
Insurance	-	-	-	-	-	-	-	10,721	-	10,721	10,721
Professional fees	-	-	-	-	-	-	-	10,600	-	10,600	10,600
Travel and meetings	-	-	-	-	-	8	8	6,828	-	6,828	6,836
Event food beverage	-	-	-	-	-	-	-	-	4,060	4,060	4,060
Printing and copying	2,977	-	-	-	-	-	2,977	-	-	-	2,977
Advertising	-	-	-	-	-	-	-	1,704	-	1,704	1,704
Other administrative	-	-	-	36	-	-	36	1,206	-	1,206	1,242
Total Expenses	\$ 22,226	\$ 21,423	\$ 28,441	\$ 26,882	\$ 30,109	\$ 33,428	\$ 162,509	\$ 32,564	\$ 16,990	\$ 49,554	\$ 212,063

MARIAN HOMES, INC.
Statements of Cash Flows
For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$376,794	\$ 494,511
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized (gain) on investments	(51,925)	(67,616)
Depreciation expense	83,006	69,390
Net discount on mortgage notes payable	(365,462)	(411,263)
Amortization of discount on notes payable	55,364	46,950
Decrease (increase) in prepaid mortgage payments and deposits	21,847	(4,435)
Decrease (increase) in deferred rent revenue	<u>(14,460)</u>	<u>14,460</u>
Net cash provided by operating activities	105,164	141,997
<u>Cash Flows From Investing Activities:</u>		
Net sale (purchase) of investments	80,216	(4,838)
Purchases of land, property and equipment	<u>(71,664)</u>	<u>(106,842)</u>
Net cash provided by (used in) investing activities	8,552	(111,680)
<u>Cash Flows From Financing Activities:</u>		
Principal payments on notes payable	<u>(86,694)</u>	<u>(78,500)</u>
Net cash used in financing activities	<u>(86,694)</u>	<u>(78,500)</u>
Net increase (decrease) in cash and cash equivalent	27,022	(48,183)
Cash and cash equivalents at beginning of year	<u>98,396</u>	<u>146,579</u>
Cash and cash equivalents at end of year	<u>\$ 125,418</u>	<u>\$ 98,396</u>
<u>Supplemental Information:</u>		
Noncash investing and financing activities:		
Acquisition of land, property and equipment:		
Cost of land, property and equipment	\$691,664	\$706,842
Financed by notes payable	<u>(620,000)</u>	<u>(600,000)</u>
Cash paid for property and equipment	<u>\$ 71,664</u>	<u>\$ 106,842</u>

MARIAN HOMES, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1 - ORGANIZATION

Marian Homes, Inc. (Marian or Organization) is a non-profit organization incorporated on February 22, 1996 under the State Code of the Commonwealth of Virginia. The purpose of the entity is to provide group housing to the mentally disadvantaged and assist them in becoming productive members of the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the obligations are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Description of Net Assets

Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.

Net Assets With Donor Restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are times restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. There were no net assets with donor restrictions at December 31, 2020 and 2019.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the accompanying statements of financial position. Donated securities are recorded at the fair value on the date of the gift. Unrealized gains and losses are included in the statements of activities as a component of investment income. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Equity and fixed income securities are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

The fair value of investments are determined by utilizing quoted market prices on active markets (Level 1) for identical securities.

Property and Equipment

Property and equipment in excess of \$2,000 are capitalized and stated at cost. The Organization provides for depreciation and amortization using the straight-line and accelerated methods over the estimated useful lives of the various classes of property as follows:

Building and building improvements	10-40 years
Computer equipment	5 years

Revenue and Support

All contributions, grants, and pledges to Marian are considered to be available for use in the year received, unless specifically restricted by the donor. Amounts received that are designated for future periods or that are restricted by the donor for specific purposes, if any, are reported as support with donor restrictions and as an increase to net assets with donor restrictions. When a restriction expires or is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same period in which the donation was received, the amount is reported as support without donor restrictions. If conditional promises to give are received, these contributions are recorded as the conditions are met. Contributions are recognized when the donor makes a promise to give to Marian that is, in substance, unconditional. Initial discounts on zero-interest mortgages are recorded with contributions revenue in the statements of activities.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rental Income

Rental income is recognized when received in the period in which the payments relate. Rental payments received in advance are recorded as deferred rental income, and recognized in the period to which the payments relate.

In-Kind Contributions

Contributions of services are recognized in the financial statements if the services require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Otherwise, volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

Allocation of Costs

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Insurance expense is attributable to multiple programs and is allocated evenly amongst the Organization's individual programs. Costs of other categories, if applicable, are allocated estimates of time and effort.

Advertising

Advertising expenses are expensed as they are incurred.

Income Taxes

Marian is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). No provision for income taxes has been established, as Marian has no unrelated business activity, as debt-financed rental income is exempt when used for exempt purposes. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Federal and state tax returns may be subject to audit for three years after filing, hence Marian's tax returns for 2017 onward are open to tax examination.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 3 - INVESTMENTS

The cost, fair values and unrealized gain (loss) on investments at December 31, 2020 and 2019 are as follows:

	2020		
	<u>Cost</u>	<u>Unrealized gain</u>	<u>Fair Value</u>
Mutual funds, equities	<u>\$ 204,347</u>	<u>\$ 95,113</u>	<u>\$ 299,460</u>
	2019		
	<u>Cost</u>	<u>Unrealized gain</u>	<u>Fair Value</u>
Mutual funds, equities	<u>\$ 284,563</u>	<u>\$ 43,188</u>	<u>\$ 327,751</u>

Investment income for the years ended December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 7,984	\$ 7,365
Unrealized gains (losses)	51,925	67,616
Investment fees	<u>(3,055)</u>	<u>(2,383)</u>
	<u>\$ 56,854</u>	<u>\$ 72,598</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31,

	<u>2020</u>	<u>2019</u>
Property and equipment, at cost		
Group homes and improvements	\$ 3,188,521	\$ 2,667,713
Computer equipment	<u>1,343</u>	<u>1,343</u>
	3,189,864	2,669,056
Less: Accumulated depreciation	<u>(458,378)</u>	<u>(375,544)</u>
	2,731,486	2,293,512
Land, at cost	<u>1,321,442</u>	<u>1,102,442</u>
	<u>\$ 2,731,486</u>	<u>\$ 2,293,512</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$83,006 and \$69,390, respectively.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 5 - NOTES PAYABLE

In December 2015, Marian entered into a loan agreement with KOVAR Corporation for a mortgage note in the amount of \$200,000 (Note A). The note is collateralized by real property at 5028 Prestwick Drive, Fairfax, Virginia. The note matures on January 2026, is non-interest bearing, and is repayable in 120 equal monthly payments of approximately \$1,667. The note payable is included in the statements of financial position at a discounted value of \$86,312 and \$100,710 at December 31, 2020 and 2019, respectively, which represents a present value at a rate of 3.5% of the remaining monthly payments.

In March 2012, Marian entered into a loan agreement with KOVAR Corporation for a second mortgage note in the amount of \$150,000 (Note B). The note is collateralized by real property at 5028 Prestwick Drive, Fairfax, Virginia. The note matures on March 15, 2022, is non-interest bearing, and is repayable in 120 equal monthly payments of approximately \$1,250. The note payable is included in the statements of financial position at a discounted value of \$18,320 and \$32,409 at December 31, 2020 and 2019, respectively, which represents the present value at a rate of 3.5% of the remaining monthly payments.

On March 15, 2012, Marian entered into a loan agreement with KOVAR Corporation for a mortgage note in the amount of \$200,000 (Note C). The note is collateralized by real property at 13119 Pebble Lane, Fairfax, Virginia. The note matures on March 15, 2022, is non-interest bearing, and is repayable in 120 equal monthly payments of approximately \$1,667. The note payable is included in the statements of financial position at discounted values of \$24,426 and \$43,213 at December 31, 2020 and 2019, respectively, which represents the present value at a rate of 3.5% of the remaining monthly payments.

In February 2015, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$510,000 (Note D). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 7609 Gresham Street, Springfield, Virginia. The note will be forgiven after 30 years if the property is maintained as a group home. In the event of a sale of the property or should Marian homes discontinue to maintain the property as a group home before maturity, Fairfax county is entitled to the greater of the face value of the note (\$510,000) or 74% of the market value of the collateralized property. The note matures March 2045. The note payable is included in the statements of financial position at a discounted value of \$219,161 and \$211,634 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 3.5%.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 5 - NOTES PAYABLE (Continued)

In December 2015, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$540,000 (Note E). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 3504 Wilson Street, Fairfax, Virginia. The note will be forgiven after 30 years if the property is maintained as a group home. In the event of a sale of the property or should Marian homes discontinue to maintain the property as a group home before maturity, Fairfax county is entitled to the greater of the face value of the note (\$540,000) or 74% of the market value of the collateralized property. The note matures January 2046. The note payable is included in the statements of financial position at a discounted value of \$225,392 and \$217,651 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 3.5%.

In January 2017, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$570,000 (Note F). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 4233 Holborn Avenue, Annandale, Virginia. The note will be forgiven after 30 years if the property is maintained as a group home. In the event of a sale of the property or should Marian homes discontinue to maintain the property as a group home before maturity, Fairfax county is entitled to the greater of the face value of the note (\$570,000) or 73% of the market value of the collateralized property. The note matures January 2047. The note payable is included in the statements of financial position at a discounted value of \$214,656 and \$206,768 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 3.75%.

In January 2017, Marian entered into two loan agreements with KOVAR Corporation for two mortgage notes in the amount of \$70,000 and \$145,000 (Note G). The notes are collateralized by real property at 4233 Holborn Avenue, Annandale, Virginia. The notes mature on February 1, 2032, are non-interest bearing, and are repayable in 180 equal monthly payments of approximately \$1,194. The notes are included in the statements of financial position at a discounted value of \$129,819 and \$139,095 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 3.75%.

In January 2019, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$450,000 (Note H). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 6218 Apache Street, Springfield, VA. The note will be forgiven after 30 years if the property is maintained as a group home. In the event of a sale of the property or should Marian homes discontinue to maintain the property as a group home before maturity, Fairfax county is entitled to the greater of the face value of the note (\$450,000) or 62% of the market value of the collateralized property. The note matures in January 2049. The note payable is included in the statements of financial position at a discounted value of \$96,370 and \$91,224 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 5.5%.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 5 - NOTES PAYABLE (Continued)

In January 2019, Marian entered into a loan agreement in the amount of \$150,000 (Note I). The note is collateralized by real property at 6218 Apache Street, Springfield, VA. The note matures on February 1, 2034, non-interest bearing, and is repayable in 180 equal monthly payments of approximately \$833. The note payable is included in the statements of financial position at a discounted value of \$93,135 and \$97,870 at December 31, 2020 and 2019, respectively, which represents the present value of the note discounted at a rate of 5.5%.

In January 2020, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$470,000 (Note J). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 9817 Limoges Drive in Fairfax, Virginia. The note will be forgiven after 30 years if the property is maintained as a group home. The notes mature in January 2050. The note payable is included in the statements of financial position at a discounted value of \$158,192 at December 31, 2020, which represents the present value of the note discounted at a rate of 3.75%.

In January 2020, Marian entered into a loan agreement in the amount of \$150,000 (Note K). The note bears 3% interest, payable in 180 equal monthly payments of approximately \$1,036, and is collateralized by real property at 9817 Limoges Drive. The note matures in January 2035. The note payable is included in the statements of financial position at a discounted value of \$146,314 at December 31, 2020, which represents the present value of the note discounted at a rate of 3%.

Future maturities of notes payable net of note discounts are as follows:

	<u>Total</u>
2021	\$ 31,863
2022	7,866
2023	(116)
2024	649
2025	1,464
Thereafter	<u>1,370,372</u>
Total	<u><u>\$ 1,412,098</u></u>

Interest expense imputed on notes payable was \$55,266 and \$46,949 for the years ended December 31, 2020 and 2019, respectively.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 6- RENTAL REVENUE

Marian maintains seven operating lease agreements with Chimes of Virginia, Inc. a Virginia non-profit corporation in connection with its housing program. The lease agreements provide monthly rent of \$482 for each occupant residing at each home owned and operated by Marian. Lease payments are subject to annual escalations. The leases expire on June 30, 2022, with the exception of the sixth and seventh lease, entered into during 2019 and 2020, which expires on December 31, 2024 and December 31, 2025, respectively. Total rental revenue for the years ended December 31, 2020 and 2019 associated with these lease agreements was \$171,991 and \$153,187, respectively.

NOTE 7- CONCENTRATION

Marian receives rental revenues from a single source (Chimes Corporation). Rental revenues for the years ended December 31, 2020 and 2019 totaled \$171,991 and \$153,187, respectively, which represents approximately 27% and 21%, respectively, of total revenues for the years then ended.

NOTE 8- LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31,

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$125,418	\$ 98,396
Investments, at fair value	<u>299,460</u>	<u>327,751</u>
Financial assets available to meet cash needs for general expenditures within on year	<u>\$424,878</u>	<u>\$426,147</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2020 and 2019

NOTE 9- SUBSEQUENT EVENTS

Subsequent events were evaluated through October 2, 2021, which is the date the financial statements were available to be issued.

In April 2021, Marian purchased an eighth group home located at 12234 Blue Topaz Lane in Fairfax, Virginia and intends to make renovations to the property. Marian funded the purchase of the home and will fund the intended renovations with the proceeds from the execution of Notes L and M, as described below.

In April 2021, Marian entered into a loan agreement with Fairfax County for a mortgage note in the amount of \$457,000 (Note L). The note is non-interest bearing and does not require monthly payments. The note is collateralized by real property at 12234 Blue Topaz Lane in Fairfax, Virginia. The note will be forgiven after 30 years if the property is maintained as a group home. The notes mature in April 2051.

In April 2021, Marian entered into a loan agreement in the amount of \$204,000 (Note M). The note is non-interest bearing, payable in 180 equal monthly payments of approximately \$1,133, and is collateralized by real property at 12234 Blue Topaz Lane. The note matures in May 2036.

NOTE 10- UNCERTAINTIES

U.S and global business and financial markets have been severely impacted by the Coronavirus pandemic. This has resulted in extreme fluctuations of the fair values of investments in the immediate term. The potential long-term impact on Marian's investments, revenues, expenses, and cash flows cannot be determined at this time.