



**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**For the Years Ended
December 31, 2024 and 2023**

MARIAN HOMES, INC.
FINANCIAL STATEMENTS
December 31, 2024 and 2023
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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marian Homes, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Marian Homes, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Marian Homes, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marian Homes, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
April 30, 2025

MARIAN HOMES, INC.
Statements of Financial Position
December 31, 2024 and 2023

	ASSETS	
	<u>2024</u>	<u>2023</u>
<u>Assets:</u>		
Cash and cash equivalents	\$ 322,028	\$ 376,780
Other receivables	281	1,523
Investments, at fair value	376,474	327,991
Prepays and other asset	13,401	19,371
Property and equipment, at cost, net of accumulated depreciation	3,335,036	3,003,441
Land	<u>1,678,842</u>	<u>1,550,442</u>
Total assets	<u><u>\$ 5,726,062</u></u>	<u><u>\$ 5,279,548</u></u>
LIABILITIES AND NET ASSETS		
<u>Liabilities:</u>		
Accounts payable	\$ 6,478	\$ 39,944
Notes payable, net of note discounts	<u>1,874,806</u>	<u>1,690,814</u>
Total liabilities	1,881,284	1,730,758
Net assets without donor restrictions	<u>3,844,778</u>	<u>3,548,790</u>
Total liabilities and net assets	<u><u>\$ 5,726,062</u></u>	<u><u>\$ 5,279,548</u></u>

MARIAN HOMES, INC.
Statements of Activities
For the years ended December 31, 2024 and 2023

	2024	2023
Without donor restrictions:		
<u>Revenue and Support:</u>		
Contributions	\$ 280,440	\$ 111,718
Rental income	261,983	251,650
Fundraising events and other	83,966	43,914
Investment income, net	28,087	24,092
Lawncare revenue	11,555	13,211
Total revenue and support	666,031	444,585
 <u>Expenses:</u>		
Program services	267,919	313,001
Supporting services	102,124	67,358
Total expenses	370,043	380,359
 Change in net assets	 295,988	 64,226
 Net assets, beginning of year	 3,548,790	 3,484,564
 Net assets, end of year	 \$ 3,844,778	 \$ 3,548,790

MARIAN HOMES, INC.
Statements of Functional Expenses
For the years ended December 31, 2024 and 2023

	2024													
	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	Our Lady of Angel	Country Club Circle	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Depreciation	\$ 8,970	\$ 10,282	\$ 12,783	\$ 13,918	\$ 14,125	\$ 12,946	\$ 12,575	\$ 11,913	\$ 5,765	\$ 103,277	\$ -	\$ -	\$ -	\$ 103,277
Mortgage interest	1,746	-	6,526	8,380	6,771	10,591	8,054	8,427	7,660	58,155	-	-	-	58,155
Real estate taxes	-	8,847	8,877	7,790	8,923	8,940	8,900	8,025	848	61,150	-	-	-	61,150
Fundraising	-	-	-	-	-	-	-	-	450	450	498	59,293	59,791	60,241
Repairs and maintenance	10,286	1,588	-	355	988	2,683	670	2,123	1,088	19,781	10,903	-	10,903	30,684
Lawn care	2,624	728	585	1,344	416	1,398	272	-	94	7,461	-	-	-	7,461
Insurance	1,874	1,960	1,882	1,734	1,996	2,015	1,780	1,282	826	15,349	1,865	-	1,865	17,214
Professional fees	-	-	-	-	-	-	-	-	-	-	23,620	826	24,446	24,446
Supplies	-	-	-	-	-	-	-	-	-	-	619	-	619	619
Postage and mailing	-	-	-	-	-	-	-	-	-	-	536	-	536	536
Parking and utilities	-	-	-	-	-	-	-	-	765	765	984	-	984	1,749
Printing and copying	-	-	-	-	-	-	-	-	-	-	-	1,480	1,480	1,480
Bank charges	-	-	-	-	-	-	-	-	25	25	35	-	35	60
Other administrative	-	-	400	-	400	-	-	-	706	1,506	1,465	-	1,465	2,971
Total Expenses	\$ 25,500	\$ 23,405	\$ 31,053	\$ 33,521	\$ 33,619	\$ 38,573	\$ 32,251	\$ 31,770	\$ 18,227	\$ 267,919	\$ 40,525	\$ 61,599	\$ 102,124	\$ 370,043

MARIAN HOMES, INC.
Statements of Functional Expenses
For the years ended December 31, 2024 and 2023

	2023								2023			Total	
	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	Our Lady of Angel	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Depreciation	\$ 8,848	\$ 10,030	\$ 12,819	\$ 13,675	\$ 14,126	\$ 12,659	\$ 12,575	\$ 11,793	\$ 96,525	\$ -	\$ -	\$ -	\$ 96,525
Mortgage interest	2,798	-	8,359	10,509	8,597	12,781	10,160	10,655	63,859	-	-	-	63,859
Real estate taxes	-	8,618	8,294	7,305	8,405	8,796	8,404	7,818	57,640	-	-	-	57,640
Fundraising	-	-	-	-	-	-	-	-	-	-	640	640	640
Repairs and maintenance	21,820	8,088	9,157	5,571	12,365	9,687	1,634	6,325	74,647	3,564	-	3,564	78,211
Lawn care	2,675	1,130	1,363	1,558	2,635	1,530	2,358	495	13,744	3,866	-	3,866	17,610
Insurance	311	325	312	288	331	335	296	213	2,411	1,770	-	1,770	4,181
Professional fees	2,325	450	-	-	-	-	-	-	2,775	22,356	-	22,356	25,131
Supplies	-	-	-	-	-	-	-	-	-	1,269	-	1,269	1,269
Postage and mailing	-	-	-	-	-	-	-	-	-	1,249	-	1,249	1,249
Parking and utilities	-	-	-	-	-	-	-	-	-	478	-	478	478
Printing and copying	-	-	-	-	-	-	-	-	-	1,020	-	1,020	1,020
Bank charges	-	-	-	-	-	-	-	-	-	190	-	190	190
Other administrative	1,400	-	-	-	-	-	-	-	1,400	28,590	2,366	30,956	32,356
Total Expenses	\$ 40,177	\$ 28,641	\$ 40,304	\$ 38,906	\$ 46,459	\$ 45,788	\$ 35,427	\$ 37,299	\$ 313,001	\$ 64,352	\$ 3,006	\$ 67,358	\$ 380,359

MARIAN HOMES, INC.
Statements of Cash Flows
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 295,988	\$ 64,226
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized (gain) on investments	(2,679)	(14,996)
Realized (gain) on investments	-	(6,165)
Donated securities	(24,420)	-
Depreciation expense	103,277	96,525
Net discount on mortgage notes payable	(115,918)	-
Amortization of discount on notes payable	70,943	63,859
Decrease in other receivables	1,242	-
Decrease (Increase) in prepaid and and other assets	5,970	(19,371)
Increase (Decrease) in accounts payable	(33,466)	25,678
	<u>300,937</u>	<u>209,756</u>
Net cash provided by operating activities	300,937	209,756
<u>Cash Flows From Investing Activities:</u>		
Net (purchase) of investments	(21,384)	(4,787)
Purchases of land, property and equipment	(563,272)	(5,464)
	<u>(584,656)</u>	<u>(10,251)</u>
Net cash (used in) investing activities	(584,656)	(10,251)
<u>Cash Flows From Financing Activities:</u>		
Principal payments on notes payable	(91,033)	(66,704)
Proceeds from borrowings on notes payable	320,000	-
	<u>228,967</u>	<u>(66,704)</u>
Net cash provided by (used in) financing activities	228,967	(66,704)
Net (decrease) increase in cash and cash equivalents	(54,752)	132,801
Cash and cash equivalents at beginning of year	<u>376,780</u>	<u>243,979</u>
Cash and cash equivalents at end of year	<u>\$ 322,028</u>	<u>\$ 376,780</u>

MARIAN HOMES, INC.
Notes to Financial Statements
December 31, 2024 and 2023

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, 2024 and 2023.

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, 2024 and 2023

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, 2024 and 2023

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 2021 onward are open to tax examination.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 3 - INVESTMENTS

The cost, fair values and unrealized gain on investments at December 31, 2024 and 2023 are as follows:

	2024		
	Cost	Unrealized gain	Fair Value
Fixed Income	\$ 164,880	\$ 9	\$ 164,889
Equities	21,024	-	21,024
Mutual Funds	145,437	45,124	190,561
Investment Total	<u>\$ 331,341</u>	<u>\$ 45,133</u>	<u>\$ 376,474</u>
	2023		
	Cost	Unrealized gain	Fair Value
Fixed Income	\$ 159,394	\$ 71	\$ 159,465
Mutual Funds	129,539	38,987	168,526
Investment Total	<u>\$ 288,933</u>	<u>\$ 39,058</u>	<u>\$ 327,991</u>

Investment income for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024	2023
Dividends and interest	\$ 28,578	\$ 5,773
Realized gains	-	6,165
Unrealized gains	2,679	14,996
Investment fees	(3,170)	(2,842)
	<u>\$ 28,087</u>	<u>\$ 24,092</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31,

	2024	2023
Property and equipment, at cost		
Group homes and improvements	\$ 4,168,038	\$ 3,731,824
Computer equipment	-	1,343
	4,168,038	3,733,167
Less: Accumulated depreciation	(833,002)	(729,726)
	3,335,036	3,003,441
Land, at cost	1,678,842	1,550,442
	<u>\$ 5,013,878</u>	<u>\$ 4,553,883</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$103,277 and \$96,525, respectively.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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 \$19,370 and \$37,624 at December 31, 2024 and 2023, respectively, which represents a 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 \$252,044 and \$243,388 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 3.5%.

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 \$259,210 and \$250,307 at December 31, 2024 and 2023, 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 \$249,336 and \$240,173 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 3.75%.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 5 - NOTES PAYABLE (Continued)

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 \$89,041 and \$99,816 at December 31, 2024 and 2023, 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 \$120,024 and \$113,615 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 5.5%.

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 \$71,369 and \$77,266 at December 31, 2024 and 2023, 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 \$183,750 and \$176,997 at December 31, 2024 and 2023, respectively, 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 \$108,806 and \$121,697 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 3%.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 5 - NOTES PAYABLE (Continued)

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. The note payable is included in the statements of financial position at a discounted value of \$194,417 and \$188,208 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 3.25%.

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. The note payable is included in the statements of financial position at a discounted value of \$128,790 and \$138,040 at December 31, 2024 and 2023, respectively, which represents the present value of the note discounted at a rate of 3.25%.

In April 2024, Marian entered into a loan agreement in the amount of \$320,000 (Note N). The note is non-interest bearing, payable in 180 equal monthly payments of approximately \$1,778, and is collateralized by real property at 123 Country Club Circle. The note matures in May 2036. The note payable is included in the statements of financial position at a discounted value of \$198,600 at December 31, 2024, which represents the present value of the note discounted at a rate of 6.5%.

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

	Total
2025	\$ 18,102
2026	(1,636)
2027	(1,553)
2028	(1,891)
2029	(1,771)
Thereafter	<u>1,863,555</u>
Total	<u>\$ 1,874,806</u>

Interest expense and imputed interest on notes payable was \$58,155 and \$63,859 for the years ended December 31, 2024 and 2023, respectively.

MARIAN HOMES, INC.
Notes to Financial Statements (Continued)
December 31, 2024 and 2023

NOTE 6- RENTAL REVENUE

Marian maintains nine operating lease agreements in connection with its housing program. The lease agreements provide monthly rent of \$561 for each occupant residing at each home owned and operated by Marian. Lease payments are subject to annual escalations. The ninth lease for 123 Country Club was entered into agreement on September 2024. Total rental revenue for the years ended December 31, 2024 and 2023 associated with these lease agreements was \$261,983 and \$251,650, respectively.

NOTE 7- CONCENTRATION

Marian receives revenues from two sources, rental revenue and contributions. Rental revenues for the years ended December 31, 2024 and 2023 totaled \$261,983 and \$251,650, respectively, which represents approximately 39% and 57%, respectively, of total revenues for the years then ended. Contribution revenues for the years ended December 31, 2024 and 2023 totaled \$280,440 and \$111,718, respectively, which represents approximately 42% and 25%, 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, 2024 and 2023, 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>2024</u>	<u>2023</u>
Financial assets		
Cash	\$ 322,028	\$ 376,780
Other receivable	281	1,523
Investments, at fair value	<u>376,474</u>	<u>327,991</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 698,783</u>	<u>\$ 706,294</u>

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

NOTE 9- SUBSEQUENT EVENTS

Subsequent events were evaluated through April 30, 2025, which is the date the financial statements were available to be issued.