

**JOHN 1334 MINISTRIES**

Financial Statements As Of July 31, 2024 and 2023

Together With Independent Auditors' Report

**JDS** professional  
group  
certified public accountants, consultants and advisors

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
John 1334 Ministries

### **Opinion**

We have audited the accompanying financial statements of John 1334 Ministries (a nonprofit organization), which comprise the statements of financial position as of July 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 John 1334 Ministries as of July 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 John 1334 Ministries 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 John 1334 Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Members:*

### **Auditors' Responsibilities 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 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 John 1334 Ministries' 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 John 1334 Ministries' 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.

*JDS Professional Group*  
*Certified Public Accountants, Consultants and Advisors, LLC*

August 7, 2025

**JOHN 1334 MINISTRIES**Statements Of Financial Position  
July 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 46,730	\$ 28,755
Cash restricted to purchase land	415,500	-
Escrow deposit	<u>50,000</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 512,230</u>	<u>\$ 28,755</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	<u>\$ -</u>	<u>\$ 10</u>
Net Assets:		
Without donor restrictions	95,447	28,745
With donor restrictions	<u>416,783</u>	<u>-</u>
Total Net Assets	<u>512,230</u>	<u>28,745</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 512,230</u>	<u>\$ 28,755</u>

The accompanying notes are an integral part of these statements.

## JOHN 1334 MINISTRIES

Statements Of Activities  
For The Years Ended July 31, 2024 and 2023

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	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support And Revenue:</b>						
Contributions	\$ 259,290	\$ 416,783	\$ 676,073	\$ 131,297	\$ -	\$ 131,297
Total Support And Revenue	<u>259,290</u>	<u>416,783</u>	<u>676,073</u>	<u>131,297</u>	<u>-</u>	<u>131,297</u>
<b>Expenses:</b>						
Program Services -						
La Mesa Resource Center	89,657	-	89,657	73,209	-	73,209
Mobile Loaves	29,590	-	29,590	29,423	-	29,423
Eden Village	61,672	-	61,672	35,656	-	35,656
Total Program Services	<u>180,919</u>	<u>-</u>	<u>180,919</u>	<u>138,288</u>	<u>-</u>	<u>138,288</u>
Supporting Services -						
General and administrative	7,424	-	7,424	3,745	-	3,745
Fundraising	4,245	-	4,245	-	-	-
Total Supporting Activities	<u>11,669</u>	<u>-</u>	<u>11,669</u>	<u>3,745</u>	<u>-</u>	<u>3,745</u>
Total Expenses	<u>192,588</u>	<u>-</u>	<u>192,588</u>	<u>142,033</u>	<u>-</u>	<u>142,033</u>
<b>CHANGES IN NET ASSETS</b>	<u>66,702</u>	<u>416,783</u>	<u>483,485</u>	<u>(10,736)</u>	<u>-</u>	<u>(10,736)</u>
Net Assets, Beginning of year	<u>28,745</u>	<u>-</u>	<u>28,745</u>	<u>39,481</u>	<u>-</u>	<u>39,481</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 95,447</u>	<u>\$ 416,783</u>	<u>\$ 512,230</u>	<u>\$ 28,745</u>	<u>\$ -</u>	<u>\$ 28,745</u>

The accompanying notes are an integral part of these statements.

**JOHN 1334 MINISTRIES**Statement Of Functional Expenses  
For The Year Ended July 31, 2024

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	Program Services			Supporting Activities				
	La Mesa Resource Center	Mobile Loaves	Eden Village	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	Total
Salaries and related benefits	\$ 42,375	\$ 18,073	\$ 24,440	\$ 84,888	\$ -	\$ -	\$ -	\$ 84,888
Outreach and support	20,027	-	7,636	27,663	-	-	-	27,663
Trips, supplies and consumables	2,809	5,892	163	8,864	-	-	-	8,864
Professional services	-	-	4,672	4,672	5,500	3,625	9,125	13,797
Marketing and promotion	345	-	-	345	620	620	1,240	1,585
Fees, dues and licensing	4,977	2,220	560	7,757	1,304	-	1,304	9,061
Travel and training	1,604	1,100	1,425	4,129	-	-	-	4,129
Office	2,651	-	-	2,651	-	-	-	2,651
Equipment	-	33	-	33	-	-	-	33
Property acquisition	-	-	22,776	22,776	-	-	-	22,776
Rent	14,869	-	-	14,869	-	-	-	14,869
Facilities repairs and maintenance	-	2,272	-	2,272	-	-	-	2,272
Total Expenses	<u>\$ 89,657</u>	<u>\$ 29,590</u>	<u>\$ 61,672</u>	<u>\$ 180,919</u>	<u>\$ 7,424</u>	<u>\$ 4,245</u>	<u>\$ 11,669</u>	<u>\$ 192,588</u>

The accompanying notes are an integral part of these statements.

## JOHN 1334 MINISTRIES

Statement Of Functional Expenses  
For The Year Ended July 31, 2023

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	Program Services			Supporting Activities			Total
	La Mesa Resource Center	Mobile Loaves	Eden Village	Total Program Services	General and Administrative	Total Supporting Activities	
Salaries and related benefits	\$ 35,022	\$ 14,709	\$ 20,313	\$ 70,044	\$ -	\$ -	\$ 70,044
Outreach and support	15,847	-	8,556	24,403	-	-	24,403
Trips, supplies and consumables	891	10,082	4,764	15,737	1,811	1,811	17,548
Professional services	1,025	-	-	1,025	20	20	1,045
Marketing and promotion	2,272	-	1,500	3,772	-	-	3,772
Fees, dues and licensing	2,540	120	5	2,665	1,914	1,914	4,579
Travel and training	1,214	1,708	518	3,440	-	-	3,440
Office	2,573	-	-	2,573	-	-	2,573
Equipment	-	780	-	780	-	-	780
Rent	11,825	-	-	11,825	-	-	11,825
Facilities repairs and maintenance	-	2,024	-	2,024	-	-	2,024
Total Expenses	<u>\$ 73,209</u>	<u>\$ 29,423</u>	<u>\$ 35,656</u>	<u>\$ 138,288</u>	<u>\$ 3,745</u>	<u>\$ 3,745</u>	<u>\$ 142,033</u>

The accompanying notes are an integral part of these statements.

## JOHN 1334 MINISTRIES

Statements Of Cash Flows  
For The Years Ended July 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 483,485	\$ (10,736)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Decrease in accounts payable	(10)	10
Net Cash Provided by (Used in) Operating Activities	<u>483,475</u>	<u>(10,726)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Escrow deposit	<u>(50,000)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(50,000)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>	433,475	(10,726)
Cash and restricted cash, Beginning of Year	<u>28,755</u>	<u>39,481</u>
<b>CASH AND RESTRICTED CASH, END OF YEAR</b>	<u><u>\$ 462,230</u></u>	<u><u>\$ 28,755</u></u>
<b>Statement of Financial Position Classification of Cash -</b>		
Cash	\$ 46,730	\$ 28,755
Cash restricted to purchase land	415,500	-
	<u><u>\$ 462,230</u></u>	<u><u>\$ 28,755</u></u>

The accompanying notes are an integral part of these statements.

## JOHN 1334 MINISTRIES

Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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### **NOTE 1 – Nature Of Organization**

John 1334 Ministries (the “Organization”) is a 501 (c)(3) not-for-profit Arizona corporation formed in the State of Arizona in 2017. The Organization was organized to engage in activities to serve the homeless and working poor. The Organization is located in Gilbert, Arizona.

### **NOTE 2 – Summary Of Significant Accounting Policies**

#### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity.

#### Estimates

The preparation of the 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 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. Accordingly, actual results could differ from these estimates.

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Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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### Cash And Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all liquid checking to be cash. Cash and highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of July 31, 2024 and 2023.

### Cash Restricted To Purchase Land

Cash restricted to purchase land is restricted by donor and is not available for operating purposes.

### Measure Of Operations

The statement of activities reports all changes in net assets, including changes in net assets from the operating and non-operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

### Revenue And Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year.

Conditional promises to give with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. As of July 31, 2024 and 2023, the Organization had no unconditional or conditional promises to give.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at their estimated fair market value at the time of the donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

A substantial number of volunteers also donate their time to the Organization. Although crucial to the Organization's operations, these services are not recorded as contributions in the accompanying financial statements since the recognition criteria have not been met.

### Leases

The Organization determines if an arrangement is or contains a lease at inception. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expenses on a straight-line basis over the lease term.

### Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are directly identifiable, such as most outreach and support, tires, supplies, and consumables, rent, property acquisition, travel and training, office, repairs and maintenance, and equipment are charged directly to programs on the basis of periodic analysis and studies. Administration expenses include both directly identifiable and allocated expenses not easily identifiable with specific program operations but related to the overall support and management of the Organization. Salaries and related benefits are allocated on the basis of time and effort.

### **NOTE 3 – Tax Exempt Status**

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Services (IRS) as exempt from federal income taxes under the Internal Revenue Code as a Church described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation.

The Organization follows *Accounting for Uncertainty in Income Taxes* which requires the Organization to determine whether a tax position (and related tax benefit) is more likely than

## JOHN 1334 MINISTRIES

Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position, The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information.

During the years ended July 31, 2024 and 2023, the Organization's management evaluated its tax positions to determine the existence of uncertainties and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

### **NOTE 4 – Concentration of Credit Risk**

The Organization's cash demand deposits are held at a financial institution at which deposits are insured up to \$250,000 by the FDIC. As of July 31, 2024, the Organization exceeded the FDIC limit by \$202,796.

Approximately 30% of the Organization's total contributions was received from an affiliated company and an additional 30% from two individuals.

### **NOTE 5 – Donor Restricted Net Assets**

Donor restricted net assets as of July 31, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
<u>Subject to Expenditure for Specified Purpose:</u>		
Eden Village – purchase of land	\$ 415,500	\$ -
Mobile Loaves	<u>1,283</u>	<u>-</u>
	<u>\$ 416,783</u>	<u>\$ -</u>

### **NOTE 6 – Leases**

The Organization leases its office space under a short-term lease agreement. Rent expense for the years ended July 31, 2024 and 2023 were \$9,000 and \$8,600, respectively.

## JOHN 1334 MINISTRIES

Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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### **NOTE 7 – Liquidity and Funds Available**

The Organization's financial assets available for general expenditures for the year ended July 31, 2024, are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash	\$ 46,730	\$ 28,755
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>46,730</u>	\$ <u>28,755</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization focuses on generating adequate contributions to cover the costs of its activities. All costs incurred are closely monitored. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

### **NOTE 8 – Related Party Transactions**

During the year ended July 31, 2024, the Organization received contributions from Christ's Greenfield Lutheran Church and La Mesa, LLC, affiliated companies for the purchase of land in the amount of \$200,000 and for Eden Village support in the amount of \$20,000.

During the year ended July 31, 2024, the Organization paid \$84,888 to La Mesa LLC, an affiliated company for the salaries and related benefits of two employees contracted to work for the Organization.

### **NOTE 9 – Subsequent Events**

Management has performed an evaluation of subsequent events through the date of this report, which is the date the financial statements were available to be issued and has considered any relevant matters in the preparation of the financial statements and footnotes.

In September 2024, the Organization purchased land and a building in Mesa, Arizona for Eden Village in the amount of \$815,656 and \$216,518, respectively.

## **JOHN 1334 MINISTRIES**

Notes to Financial Statements  
For the Years Ended July 31, 2024 and 2023

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In September 2024, the Organization entered into a loan agreement with Friends of Eden Village, LLC, in the amount of \$300,000, with interest of 5% per annum, due and payable in full in September 2025 with the option to extend at the rate of 6% per annum until the extended maturity date of March 2026.

In September 2024, the Organization entered into a loan agreement with Gary and Hally Rosenbeck in the amount of \$100,000, with a term of five years, with zero interest, due in full and payable in September 2029.