

JOHN 1334 MINISTRIES
AND SUBSIDIARY

Consolidated Financial Statements
As Of July 31, 2025 and 2024

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 consolidated financial statements of John 1334 Ministries and its wholly owned subsidiary, Eden Village, LLC (collectively referred to as “the Organization”), which comprise the consolidated statements of financial position as of July 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of July 31, 2025 and 2024, and the changes in their net assets and their 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 the Organization 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

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

May 19, 2026

JOHN 1334 MINISTRIES AND SUBSIDIARYConsolidated Statements Of Financial Position
July 31, 2025 and 2024

Page -3-

	2025	2024
ASSETS		
Cash	\$ 214,187	\$ 46,730
Cash restricted to purchase land	-	415,500
Property and equipment, net	1,103,013	-
Escrow deposit	-	50,000
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,317,200	\$ 512,230
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued interest	\$ 13,750	\$ -
Notes payable	377,220	-
	<hr/>	<hr/>
Total Liabilities	390,970	-
	<hr/>	<hr/>
Net Assets:		
Without donor restrictions	923,675	95,447
With donor restrictions	2,555	416,783
	<hr/>	<hr/>
Total Net Assets	926,230	512,230
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,317,200	\$ 512,230
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the consolidated financial statements.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Consolidated Statements Of Activities
For The Years Ended July 31, 2025 and 2024

Page -4-

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:						
Contributions	\$ 487,696	\$ 161,214	\$ 648,910	\$ 288,035	\$ 416,783	\$ 704,818
Contributions of nonfinancial assets	17,706	-	17,706	-	-	-
Net assets released from restrictions						
Satisfaction of program restrictions	575,442	(575,442)	-			
Total Support And Revenue	<u>1,080,844</u>	<u>(414,228)</u>	<u>666,616</u>	<u>288,035</u>	<u>416,783</u>	<u>704,818</u>
Expenses:						
Program Services -						
Social services assistance	68,561	-	68,561	83,897	-	83,897
Food assistance	44,101	-	44,101	29,590	-	29,590
Housing assistance	68,679	-	68,679	47,008	-	47,008
Total Program Services	<u>181,341</u>	<u>-</u>	<u>181,341</u>	<u>160,495</u>	<u>-</u>	<u>160,495</u>
Supporting Services -						
General and administrative	36,371	-	36,371	22,960	-	22,960
Fundraising	34,904	-	34,904	9,133	-	9,133
Total Supporting Activities	<u>71,275</u>	<u>-</u>	<u>71,275</u>	<u>32,093</u>	<u>-</u>	<u>32,093</u>
Total Expenses	<u>252,616</u>	<u>-</u>	<u>252,616</u>	<u>192,588</u>	<u>-</u>	<u>192,588</u>
CHANGES IN NET ASSETS	828,228	(414,228)	414,000	95,447	416,783	512,230
Net Assets, Beginning of year	95,447	416,783	512,230	-	-	-
NET ASSETS, END OF YEAR	<u>\$ 923,675</u>	<u>\$ 2,555</u>	<u>\$ 926,230</u>	<u>\$ 95,447</u>	<u>\$ 416,783</u>	<u>\$ 512,230</u>

The accompanying notes are an integral part of the consolidated financial statements.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Consolidated Statement Of Functional Expenses
For The Year Ended July 31, 2025

Page -5-

	Program Services				Supporting Activities			Total
	Social Services Assistance	Food Assistance	Housing Assistance	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and related benefits	\$ 37,028	\$ 24,686	\$ 13,199	\$ 74,913	\$ 13,199	\$ 6,599	\$ 19,798	\$ 94,711
Outreach and support	7,410	-	6,631	14,041	-	-	-	14,041
Trips, supplies and consumables	5,177	10,533	1,381	17,091	-	-	-	17,091
Professional services	2,075	-	15,964	18,039	6,765	27,054	33,819	51,858
Marketing and promotion	840	840	3,083	4,763	281	1,251	1,532	6,295
Fees, dues and licensing	2,472	120	2,091	4,683	4,054	-	4,054	8,737
Travel and training	987	500	1,213	2,700	-	-	-	2,700
Office	2,666	-	-	2,666	-	-	-	2,666
Equipment	-	41	-	41	-	-	-	41
Other expenses	-	-	-	-	3,470	-	3,470	3,470
Rent	9,077	-	144	9,221	8,602	-	8,602	17,823
Facilities repairs and maintenance	-	3,091	-	3,091	-	-	-	3,091
Utilities	-	-	2,334	2,334	-	-	-	2,334
Insurance	829	4,290	2,705	7,824	-	-	-	7,824
Depreciation	-	-	4,690	4,690	-	-	-	4,690
Interest expense	-	-	15,244	15,244	-	-	-	15,244
Total Expenses	<u>\$ 68,561</u>	<u>\$ 44,101</u>	<u>\$ 68,679</u>	<u>\$ 181,341</u>	<u>\$ 36,371</u>	<u>\$ 34,904</u>	<u>\$ 71,275</u>	<u>\$ 252,616</u>

The accompanying notes are an integral part of the consolidated financial statements.

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

Page -6-

	Program Services			Supporting Activities				Total
	Social Services Assistance	Food Assistance	Housing Assistance	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and related benefits	\$ 42,375	\$ 18,073	\$ 9,776	\$ 70,224	\$ 9,776	\$ 4,888	\$ 14,664	\$ 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
Facilities expansion	-	-	22,776	22,776	-	-	-	22,776
Rent	9,109	-	-	9,109	5,760	-	5,760	14,869
Facilities repairs and maintenance	-	2,272	-	2,272	-	-	-	2,272
Total Expenses	<u>\$ 83,897</u>	<u>\$ 29,590</u>	<u>\$ 47,008</u>	<u>\$ 160,495</u>	<u>\$ 22,960</u>	<u>9,133</u>	<u>\$ 32,093</u>	<u>\$ 192,588</u>

The accompanying notes are an integral part of the consolidated financial statements.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Consolidated Statements Of Cash Flows
For The Years Ended July 31, 2025 and 2024

Page -7-

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 414,000	\$ 483,485
Depreciation	4,690	-
Noncash contribution recognized from imputed interest on note payab	(22,780)	
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Decrease in accounts payable	-	(10)
Increase in accrued interest	13,750	-
Net Cash Provided by Operating Activities	<u>409,660</u>	<u>483,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(707,703)	-
Escrow deposit	50,000	(50,000)
Net Cash Used in Investing Activities	<u>(657,703)</u>	<u>(50,000)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(248,043)	433,475
Cash and restricted cash, Beginning of Year	<u>462,230</u>	<u>28,755</u>
CASH AND RESTRICTED CASH, END OF YEAR	<u><u>\$ 214,187</u></u>	<u><u>\$ 462,230</u></u>
Statement of Financial Position Classification of Cash -		
Cash	\$ 214,187	\$ 46,730
Cash restricted to purchase land	-	415,500
	<u><u>\$ 214,187</u></u>	<u><u>\$ 462,230</u></u>
Non-Cash Investing and Financing Activities		
Building acquisition obtained through proceeds from note payable	<u><u>\$ 400,000</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -8-

NOTE 1 – Nature Of Organization

John 1334 Ministries dba La Mesa Ministries and dba Eden Village of Arizona (“John 1334 Ministries”) 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 and is located in Gilbert, Arizona. John 1334 Ministries vision is to plant transformative communities throughout the Phoenix valley that empower the homeless and working poor to create healthy and prosperous futures together.

In August 2024, Eden Village, LLC (“Eden Village”), which is wholly owned subsidiary of John 1334 Ministries, was incorporated as a qualified charitable organization in the state of Arizona. Eden Village was organized to support the charitable, religious, education, and scientific purposes of the Organization. The 2024 financial statements do not include Eden Village as it had not been formed yet.

The Organization utilizes separate programs to fulfill its vision. The social services assistance program, operating under La Mesa Ministries, connects individuals in poverty to housing, addiction recovery assistance, employment, identification cards, birth certificates, and government benefits. They also provide financial management training classes and assist with expenses related to safe housing, move-in costs, and furniture.

The food assistance program is a mobile food truck that meets individuals experiencing homelessness where they are by providing food, drinks, clothing, and hygiene products directly to those in need.

And the housing assistance program, operating under Eden Village of Arizona and Eden Village, LLC, will build gated, tiny home communities with a support system to help get homeless people off the streets and into a home.

NOTE 2 – Summary Of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of John 1334 Ministries and Eden Village, LLC, and are presented as consolidated since John 1334 Ministries has both an economic and controlling interest in Eden Village beginning in the fiscal year ended July 31, 2025. For the years ended July 31, 2025 and 2024, the activities of these entities are referred to as the “Organization” in these consolidated financial statements. All significant transactions and balances between the entities have been eliminated.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -9-

Basis of Accounting

The consolidated 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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Cash And Cash Equivalents

For the purposes of the consolidated 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, 2025 and 2024.

Cash Restricted To Purchase Land

As of July 31, 2024, cash restricted to purchase land was restricted by donor and was not available for operating purposes. There was no restricted cash as of July 31, 2025.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -10-

Property and Equipment

Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. The cost of maintenance and repairs is expensed as incurred; significant acquisitions and improvements costing more than \$2,500 and a useful life of more than one year are capitalized. Depreciation of building and improvements is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years. Depreciation on construction in progress commences when the asset is placed in service.

Measure Of Operations

The consolidated 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, 2025 and 2024, 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 consolidated statement of activities as net assets released from restrictions.

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the consolidated 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.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -11-

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 consolidated 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. Costs not directly attributable to a function, namely salaries and related benefits, were allocated to a functional category based on the estimate of time and effort. All remaining costs were charged directly to the functions benefitted.

Subsequent events

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

NOTE 3 – Tax Exempt Status

John 1334 Ministries is classified as a public charity and is exempt from income tax under Internal Revenue Code Section 501(c)(3) and comparable state law and contributions to the Organization are tax-deductible within the limitations described by the Code.

Eden Village is a single member LLC and will be treated as a disregarded entity for tax purposes. Accordingly, its activity will be included in John 1334 Ministries's tax filing.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -12-

The Organization is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years prior to 2022. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions, and tax credits. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

NOTE 4 – Property and Equipment

Property and equipment consisted of the following as of July 31, 2025:

Land	\$812,914
Building	220,429
Construction in progress	<u>74,360</u>
	1,107,703
Accumulated depreciation	<u>(4,690)</u>
	<u>\$1,103,013</u>

Depreciation expense for the fiscal years ended July 31, 2025 and 2024, was \$4,690 and \$0, respectively.

NOTE 5 – Leases

The Organization leases its office space under a short-term lease agreement for use in its social services program. Rent expense for the years ended July 31, 2025 and 2024, were \$9,000 in each year. During the year ended July 31, 2025, the Organization paid \$7,389 on a lease for storage space, which is net of the lease shared with another entity.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -13-

NOTE 6 – Notes payable

Notes payable consisted of the following as of July 31, 2025:

Loan payable with private party, interest of 5% per annum, balloon payment due September 2025, with the option to extend at the rate of 6% per annum until the extended maturity rate of March 2026, secured by deed of trust.	\$ 300,000
Loan payable with private party, with zero interest, term of five years, balloon payment of \$100,000 due September 2029, secured by deed of trust, shown net of imputed interest.	77,220
	<hr/>
	\$ 377,220
	<hr/> <hr/>

Maturities on the notes payable are as follows:

For the Year Ended July 31,

2026	\$ 300,000
2027	-
2028	-
2029	-
2030	100,000
	<hr/>
	\$ 400,000
	<hr/> <hr/>

The loan payable for \$100,000 was recorded using an imputed interest rate of 6%, resulting in an initial discount of \$25,274, which was recognized as a contribution in the year received. The remaining \$22,780 will be amortized to interest expense over the term of the note. The imputed interest rate was based on the extension rate of the other loan payable held by the Organization.

NOTE 7 – Concentration of Credit Risk

During the year ended July 31, 2025, approximately 30% of the Organization's total contributions were received from two organizations. During the year ended July 31, 2024, approximately 30% of the Organization's total contributions were received from an affiliated company and an additional 30% from two individuals.

JOHN 1334 MINISTRIES AND SUBSIDIARY

Notes to Consolidated Financial Statements
For the Years Ended July 31, 2025 and 2024

Page -14-

NOTE 8 – Donor Restricted Net Assets

Donor restricted net assets as of July 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
<u>Subject to Expenditure for Specified Purpose:</u>		
Housing assistance – purchase of land	\$ -	\$ 415,500
Social services assistance	1,722	-
Food assistance	<u>1,283</u>	<u>1,283</u>
	<u>\$ 2,555</u>	<u>\$ 416,783</u>

NOTE 9 – Liquidity and Funds Available

The Organization’s financial assets available for general expenditures for the years ended July 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	<u>\$ 214,187</u>	<u>\$ 46,730</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 214,187</u>	<u>\$ 46,730</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 consolidated 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 10 – Related Party Transactions

During the years ended July 31, 2025 and 2024, the Organization paid \$94,711 and \$84,888, respectively to La Mesa LLC, a related party, for accounting and administrative services, including salaries and related benefits of personnel employed by La Mesa LLC and providing services to the Organization.