

**THE SHAI FUND, INC.
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Shai Fund, Inc.
Murfreesboro, Tennessee

Opinion

We have audited the accompanying financial statements of The Shai Fund, 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 The Shai Fund, 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 The Shai Fund, 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 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 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 The Shai Fund, 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' 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 The Shai Fund, 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 The Shai Fund, 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 audits.

Dempsey Vantrease & Follis PLLC

Murfreesboro, Tennessee
August 18, 2025

THE SHAI FUND, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and cash equivalents	\$ 2,599,207	\$ 2,120,337
Certificates of deposit	-	259,546
Total Current Assets	<u>2,599,207</u>	<u>2,379,883</u>
Equipment, less accumulated depreciation of \$2,916	<u>1,981</u>	<u>776</u>
	<u><u>\$ 2,601,188</u></u>	<u><u>\$ 2,380,659</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 27,530	\$ 22,198
Accrued expenses	21,224	25,785
Deferred Revenue	48,545	-
Total Current Liabilities	<u>97,299</u>	<u>47,983</u>
Net Assets:		
Without donor restrictions	1,878,171	2,154,971
With donor restrictions	<u>625,718</u>	<u>177,705</u>
Total Net Assets	<u>2,503,889</u>	<u>2,332,676</u>
Total Liabilities and Net Assets	<u><u>\$ 2,601,188</u></u>	<u><u>\$ 2,380,659</u></u>

See notes to the financial statements and independent auditors' report.

THE SHAI FUND, INC.
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2024 and 2023

	Without Donor restriction	With Donor restriction	December 31, 2024 Total	December 31, 2023 Total
PUBLIC SUPPORT AND REVENUES:				
Contributions	\$ 285,387	\$ 1,367,419	\$ 1,652,806	\$ 2,712,185
Interest	58,221	-	58,221	8,819
TOTAL REVENUES	<u>343,608</u>	<u>1,367,419</u>	<u>1,711,027</u>	<u>2,721,004</u>
 Net assets released from restrictions	 <u>919,406</u>	 <u>(919,406)</u>	 <u>-</u>	 <u>-</u>
EXPENSES:				
Program Services:				
Afghanistan Refugee	139,751	-	139,751	927,696
Earthquake Recovery in Turkey and Syria	86,698	-	86,698	-
Israel Crisis	102,566	-	102,566	1,196,197
Project Nazarene	110,081	-	110,081	-
Sudan Relief	145,615	-	145,615	-
Syria Relief	337,176	-	337,176	-
Other programs	102,309	-	102,309	791,535
Total Program Services	<u>1,024,196</u>	<u>-</u>	<u>1,024,196</u>	<u>2,915,428</u>
Supporting Services:				
Fundraising	222,096	-	222,096	160,832
General and administrative	293,522	-	293,522	120,030
Total Supporting Services	<u>515,618</u>	<u>-</u>	<u>515,618</u>	<u>280,862</u>
TOTAL EXPENSES	<u>1,539,814</u>	<u>-</u>	<u>1,539,814</u>	<u>3,196,290</u>
 INCREASE (DECREASE) IN NET ASSETS	 (276,800)	 448,013	 171,213	 (475,286)
 NET ASSETS AT BEGINNING OF YEAR	 <u>2,154,971</u>	 <u>177,705</u>	 <u>2,332,676</u>	 <u>2,807,962</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 1,878,171</u></u>	 <u><u>\$ 625,718</u></u>	 <u><u>\$ 2,503,889</u></u>	 <u><u>\$ 2,332,676</u></u>

See notes to the financial statements and independent auditors' report.

THE SHAI FUND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2024

	Program Services							Supporting Services		
	Afghanistan Refugee	Earthquake Recovery in Turkey and Syria	Israel Crisis Fund	Project Nazarene	Sudan Relief	Syria Relief Fund	Other Programs	Fundraising	General and Administrative	Total Expenses
EXPENSES:										
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,750	\$ 14,750
Advertising	-	-	-	-	-	-	-	13,325	7,300	20,625
Bank Charges	-	-	-	-	-	-	-	-	16,841	16,841
Contract services	7,675	3,837	53,722	88,258	15,349	15,349	3,837	115,119	80,583	383,729
Depreciation	-	-	-	-	-	-	-	-	412	412
Dues and subscriptions	-	-	-	-	-	-	-	-	20,905	20,905
Funds awarded to agencies	131,248	82,861	45,160	21,823	130,266	321,827	95,427	-	-	828,612
Payroll taxes	-	-	-	-	-	-	-	2,922	5,932	8,854
Wages	-	-	-	-	-	-	-	37,620	76,380	114,000
Printing and postage	-	-	-	-	-	-	-	-	2,209	2,209
Professional fees	828	-	3,684	-	-	-	-	49,300	18,138	71,950
Supplies	-	-	-	-	-	-	-	-	4,394	4,394
Telephone	-	-	-	-	-	-	3,045	1,200	1,013	5,258
Travel	-	-	-	-	-	-	-	2,610	44,665	47,275
TOTAL EXPENSES	\$ 139,751	\$ 86,698	\$ 102,566	\$ 110,081	\$ 145,615	\$ 337,176	\$ 102,309	\$ 222,096	\$ 293,522	\$ 1,539,814

See notes to the financial statements and independent auditors' report.

THE SHAI FUND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2023

	Program Services			Supporting Services		
	Afghanistan Refugee	Israel Crisis Fund	Other Programs	Fundraising	General and Administrative	Total Expenses
EXPENSES:						
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ 13,129	\$ 13,129
Advertising	-	-	-	76,899	-	76,899
Bank Charges	-	-	-	-	5,029	5,029
Contract services	93,689	23,422	81,978	11,711	23,422	234,223
Depreciation	-	-	-	-	152	152
Dues and subscriptions	-	-	-	-	17,314	17,314
Funds awarded to agencies	780,450	1,131,484	686,230	-	-	2,598,164
Payroll taxes	2,238	1,343	895	2,686	1,790	8,952
Wages	28,500	17,100	11,400	34,200	22,800	114,000
Printing and postage	4,271	534	-	267	267	5,339
Professional fees	-	-	-	32,187	32,187	64,373
Supplies	2,000	250	-	125	125	2,500
Telephone	-	-	-	-	1,056	1,056
Travel	16,548	22,064	11,032	2,758	2,758	55,160
TOTAL EXPENSES	\$ 927,696	\$ 1,196,197	\$ 791,535	\$ 160,833	\$ 120,029	\$ 3,196,290

See notes to the financial statements and independent auditors' report.

THE SHAI FUND, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 171,213	\$ (475,286)
To reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	412	152
Increase (decrease) in certificates of deposit	259,546	(7,563)
Increase in accounts payable	5,332	13,078
Increase (decrease) in due to agencies	-	(83,954)
Increase (decrease) in accrued expenses	43,985	(22,793)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>480,488</u>	<u>(576,366)</u>
CASH FLOWS USED BY INVESTING ACTIVITIES:		
Purchase of equipment	<u>(1,618)</u>	<u>(845)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	478,870	(577,211)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,120,337</u>	<u>2,697,548</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,599,207</u></u>	<u><u>\$ 2,120,337</u></u>

See notes to the financial statements and independent auditors' report.

THE SHAI FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Shai Fund, Inc. (the "Organization ") is a nonprofit organization incorporated in the State of Tennessee. The Organization seeks to unite international agencies to provide humanitarian assistance in disaster relief and development situations.

Basis of Accounting

The accompanying financial statements of The Shai Fund, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of generally accepted accounting principles. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of The Shai Fund, Inc. pursuant to those stipulations or that expire by the passage of time.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include money market accounts with maturities of three months or less.

Certificates of Deposit

Certificates of deposit were held with a bank and had maturity dates greater than three months. The certificates of deposit matured in 2024 and were not renewed.

Equipment

Equipment is stated at cost. Depreciation is computed using primarily the straight-line method of depreciation. The Organization capitalizes equipment purchases of \$1,000 or more. Equipment is depreciated over 5 years.

Due to Agencies

The Shai Fund, Inc. makes donations to various organizations each year. The donations in general are considered unconditional obligations when awarded resulting in a liability recorded at that time.

Revenue Recognition

Contributions of public support are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, public support received by The Shai Fund, Inc. are considered contributions.

THE SHAI FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Public Support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

Donated Services and Noncash Gifts

Many individuals have donated time and services to advance the Organization's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles. Noncash gifts that the Organization uses to support its programs are recorded as revenue at fair market value and a related expense is recorded as the items are used.

Advertising

Advertising costs are expensed as incurred. Advertising costs were \$20,625 and \$76,899 for the years ended December 31, 2024 and 2023.

Use of Estimates

Management is required to make estimates and assumptions in conformity with generally accepted accounting principles that may affect the reported amounts of 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.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. In general, most expenses can easily be identified and charged to a specific program. Salaries are allocated based upon hours worked on each related program.

NOTE B – INCOME TAXES

The Organization is a not-for-profit organization that is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and classification by the Internal Revenue Service. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

THE SHAI FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE B – INCOME TAXES (CONTINUED)

Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

As of December 31, 2024 and 2023, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is The Shai Fund, Inc.'s policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Organization files a U.S. Federal information tax return.

NOTE C – ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Accrued payroll taxes	\$ 452	\$ 4,095
Accrued contract services	5,500	8,851
Accrued contract services - related party	<u>15,272</u>	<u>12,839</u>
	<u>\$ 21,224</u>	<u>\$ 25,785</u>

NOTE D – AVAILABILITY OF FINANCIAL ASSETS AND LIQUIDITY

The Organization is supported by both restricted and unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial resources may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets and liquidity as of the statement of financial position dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position dates:

	<u>2024</u>	<u>2023</u>
Financial Assets available within one year		
Cash	\$ 2,599,207	\$ 2,120,337
Certificates of deposit	<u>-</u>	<u>259,546</u>
Total Financial Assets	2,599,207	2,379,883
Less those unavailable for general expenditures within one year due to donor imposed restrictions		
Restricted Cash	<u>(627,083)</u>	<u>(177,705)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,972,124</u>	<u>\$ 2,202,178</u>

THE SHAI FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE E - NET ASSETS

Net assets with donor restrictions contain donor-imposed restrictions that direct the use of the donation as specified and are satisfied either by the passage of time (time restrictions) or by fulfilling the donor-imposed purpose (purpose restriction). Net assets released from restrictions amounted to \$918,041 for the year ended December 31, 2024.

Net assets with donor restrictions that exist at December 31, 2024 are for the following projects:

Subject to Purpose Restrictions:

Christian Support in Myanmar	\$ 7,045
Combatting Rising Antisemitism	10,138
Earthquake Recovery in Turkey and Syria	33,534
Israel Crisis Fund	110,922
Jerusalemite Initiative	26,368
Project Nazarene	4,781
Sudan Aid Relief	92,314
Syria Relief Fund	338,533
Ukraine Emergency Response	300
Women and Girls At Risk	1,783
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	<u>\$ 625,718</u>

NOTE F – CREDIT RISK AND OTHER CONCENTRATIONS

The Organization maintains cash on deposit account at a bank in excess of federally insured amounts. The Organization has not experienced any losses in such accounts, and management believes The Shai Fund is not exposed to any significant credit risk related to cash.

In 2024, three Organizations accounted for approximately 65% of all contribution revenue.

NOTE G – RELATED PARTY TRANSACTIONS

The Organization retains a consultant, who also serves as president of the Organization, under an ongoing informal agreement. Under the terms of the agreement, the consultant receives a fee and reimbursement for certain costs incurred. For the year ended December 31, 2024 the consultant received \$178,402 in fees and costs reimbursements.

The Organization paid \$114,000 of wages to a related party in 2024.

NOTE H – INTERNATIONAL OPERATIONS

Humanitarian organizations with international operations are subject to numerous domestic and international laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, registration, banking, anti-terrorism, fraud, and abuse. Violations of these laws and regulations could result in significant adverse actions such as the disbarment of the entity from certain actions, loss of non-profit status, the imposition of significant fines and penalties, imprisonment, and other legal ramifications either domestically or internationally.

THE SHAI FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

NOTE H – INTERNATIONAL OPERATIONS (CONTINUED)

In addition, the Organization often directs activities of consultants in areas of conflict or with various political uncertainties that could create significant risks to the operations of the Organization and the consultants it retains. Management is aware of the risks as well as the laws and regulations and has implemented various operational controls to mitigate this risk. Management believes the Organization follows all laws and regulations.

NOTE I – SUBSEQUENT EVENTS

As of the date of the financial statements, the Organization noted that there are no transactions that have transpired besides those described above that would have a material effect on the balances reported herein as of December 31, 2024 or that would significantly impact the Organization's ongoing operations.

The Organization has evaluated subsequent events through August 18, 2025, which is the date the financial statements were available to be issued.