

RAPTOR, INC.

ANNUAL REPORT

December 31, 2024

SOPER, SOPER & WEINEL LLP
CERTIFIED PUBLIC ACCOUNTANTS

RAPTOR, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
RAPTOR, Inc.

Opinion

We have audited the accompanying financial statements of RAPTOR, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2024, and the related statement of support, revenue, and expenses—modified cash basis for the year 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 assets, liabilities, and net assets of RAPTOR, Inc. as of December 31, 2024, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's 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 auditor's 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 RAPTOR 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 RAPTOR 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.



Cincinnati, OH
October 24, 2025

RAPTOR, INC.

**STATEMENT OF ASSETS AND NET ASSETS -
MODIFIED CASH BASIS**

<u>As of December 31,</u>	<u>2024</u>
ASSETS	
Cash on Hand	\$ 150
Checking Accounts	39,609
Money Market Accounts	711,379
Certificates of Deposit	148,033
Investments	3,845,011
Land, Buildings and Equipment, Net	<u>592,316</u>
Total Assets	<u>5,336,498</u>
NET ASSETS – Without Donor Restrictions	<u>5,336,498</u>

The accompanying notes are an integral part of these statements.

RAPTOR, INC.

STATEMENT OF SUPPORT, REVENUE AND EXPENSES -
MODIFIED CASH BASIS

For the Year Ended December 31,

2024

SUPPORT AND REVENUE

Contributions, Gifts and Grants	\$ 198,804
Donated Support	2,882
Membership Dues and Assessments	20,468
Education Programs	41,022
Investment Income, Net of Expenses of \$24,505	432,203
Rents	6,900
Sales, Net of Expenses \$7,495	(328)
Other Support	675
Fund Raising	<u>24,854</u>

TOTAL SUPPORT AND REVENUE

727,480

EXPENSES

Payroll and Taxes	116,159
Fees for Services	3,834
Bank Charges	443
Office Expenses and Supplies	11,256
Occupancy	15,246
Conferences and Training	1,441
Depreciation	22,734
Insurance	8,015
Printing and Publications	4,397
Bird Care	20,360
Donated Bird Care	2,882
Other Expenses	<u>275</u>

TOTAL EXPENSES

207,042

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

520,438

NET ASSETS AT BEGINNING OF YEAR

4,816,060

NET ASSETS AT END OF YEAR

5,336,498

The accompanying notes are an integral part of these statements.

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NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A) Nature of Activities

RAPTOR Inc. is a charitable corporation located in Milford, Ohio. RAPTOR is the Regional Association for the Protection and Treatment of Raptors in Southwest Ohio. The Organization is dedicated to the preservation of birds of prey through rehabilitation, education and conservation. In addition to educating the public on the importance of raptors and the preservation of their natural habitat and the rehabilitation and return of injured raptors to their natural environment, the Organization performs over 250 programs used to educate the public about birds of prey.

B) Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that -

- Contributions and support are recognized when received instead of when the Organization is notified it is the recipient of an unconditional promise to give or awarded funding under a grant program,
- Non-cash contributions for the free use of organization facilities are not recorded, and
- Payments to vendors, suppliers, and employees are generally recognized when paid instead of when goods or services are received.

Notwithstanding the above, the Organization has elected to modify the cash basis of accounting to report fixed assets and record depreciation over the estimated useful life of the related asset.

C) Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions, and net assets with donor restrictions) based on the existence or absence of donor-imposed restriction. Contributions received are recorded as unrestricted, or restricted support, depending on the existence and/or nature of any donor restrictions. The Organization has no net assets with donor restrictions.

D) Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at date of gift if contributed. The Organization capitalizes property and equipment if it has a life of two years or more and an acquisition cost of \$1,000 or more. Depreciation is being provided on the straight-line basis over the estimated useful lives of the assets which is 39 years for the Red Barn facility and 5 to 10 years for equipment. Total depreciation expense was \$22,734 for 2024.

RAPTOR, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies - continued

E) Income Taxes

The Organization is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Management of RAPTOR considers the likelihood of changes by taxing authorities in its exempt organization returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed returns that require disclosure in the accompanying financial statements. RAPTOR'S tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

F) Subsequent Events - Date of Management Evaluation

Management has evaluated subsequent events through October 24, 2025, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

G) Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Land, Buildings and Equipment

Land, property and equipment was as follows:

Land	\$	75,000
New Building Plans		15,880
Red Barn Facility		722,873
Equipment and Vehicles		<u>40,367</u>
		854,120
Accumulated Depreciation		<u>261,804</u>
		<u>592,316</u>

The Organization has various items of furniture and equipment acquired since its founding that are not accounted for in these financial statements and would not materially change the balances were they to be included.

Note 3 - Donated Support

The value of donated support used in the Organization's program is recorded as income and expense at the estimated fair value of these items. Donated services are not recorded if no objective basis is available to measure the value received by the Organization. All of the recorded donated support for 2024 is for bird care in the form of supplies or food for the birds housed at the facility. RAPTOR also utilizes the services of numerous volunteers whose value has not been determined for these financial statements.

RAPTOR, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4 – Investments

Investments are held by Stifel, Nicolaus & Company, Inc. and recorded at Fair Value. Investments held at December 31, 2024 are as follows:

	<u>Carrying Value</u>	<u>Historical Cost</u>
Equities	\$2,309,630	\$1,905,467
US Treasury Notes	1,357,508	1,338,664
Mutual Fund - Equity	<u>177,873</u>	<u>176,499</u>
Total	<u>3,845,011</u>	<u>3,420,630</u>

Investment income for 2024 is as follows:

Dividends and Interest	\$ 135,798
Realized and Unrealized Gains	320,910
Less Investment Fees	<u>(24,505)</u>
Total	<u>432,203</u>

Note 5 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

NOTES TO FINANCIAL STATEMENTS

Note 5 – Fair Value Measurements – continued

- Level 2 – Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All investments are valued at level 1. Mutual funds are valued at the daily closing price as reported by fund. Mutual funds held are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

Note 6 – Functional Expenses

Expenses are divided into functional types based on estimates of time spent or by the nature of expense.

		<u>Supporting Services</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
Payroll and Taxes	\$ 91,277	\$ 16,587	\$ 8,295
Fees for Services	2,009	1,642	183
Bank Charges	0	443	0
Office Expense and Supplies	442	5,326	5,488
Occupancy	14,065	997	184
Conferences	0	1,441	0
Depreciation	22,734	0	0
Insurance	8,015	0	0
Printing and Publication	1,864	2,533	0
Bird Care	20,360	0	0
Donated Bird Care	2,882	0	0
Other Expenses	275	0	0
Totals	<u>163,923</u>	<u>28,969</u>	<u>14,150</u>

RAPTOR, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7 – Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following assets that could be readily made available within one year of the Statement of Financial Position to fund expenses without limitations:

Assets held at Stifel	
Investments	\$3,845,011
Certificate of Deposits	148,033
Money Market Account	<u>238,444</u>
Total	<u>4,231,488</u>

Note 8 – Concentration of Credit Risk

The organization maintains bank accounts that exceed the federally insured limits.

Note 9 – Revenue Recognition

Revenue from exchange transactions are obtained from education programs, rents, sales of merchandise, and fund raising are recorded as revenues when received. Membership dues, which are not refundable, donations and support are recognized as revenues when received.