FOCUSED INTERRUPTION, INC.

FINANCIAL STATEMENTS

December 31, 2024 and 2023

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Focused Interruption, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Focused Interruption, Inc., 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 accompanying financial statements present fairly, in all material respects, the financial position of Focused Interruption, 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 (GAAS). 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 Focused Interruption, 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 Focused Interruption, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 GAAS 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 GAAS, 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 Focused Interruption, 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 Focused Interruption, 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
June 24, 2025

FOCUSED INTERRUPTION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 217,985	$ 276,798
Unconditional promises to give	120,950	11,118
Grants receivable	401,380	385,396
Other receivables	6,045	-
Prepaid expenses	8,400	6,557
Total current assets	754,760	679,869
FURNITURE AND FIXTURES		
Furniture and fixtures	10,505	10,505
Accumulated depreciation	(1,751)	(250)
Furniture and fixtures, net	8,754	10,255
OTHER ASSETS		
Unconditional promises to give less current portion	130,000	-
Security deposit	3,668	2,516
Operating lease right-of-use asset	73,955	78,181
Total other assets	207,623	80,697
Total assets	$ 971,137	$ 770,821
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 18,411	$ 15,203
Accrued personnel	38,823	21,308
Current portion of operating lease liability	43,581	27,588
Total current liabilities	100,815	64,099
NONCURRENT LIABILITIES		
Operating lease liability less current portion	30,550	50,893
Total liabilities	131,365	114,992
NET ASSETS		
Without donor restrictions	589,772	644,804
With donor restrictions	250,000	11,025
Total net assets	839,772	655,829
Total liabilities and net assets	$ 971,137	$ 770,821

See accompanying notes.

FOCUSED INTERRUPTION, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024	2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions		
Public support	$ 341,411	$ 312,981
Government grants	842,904	411,414
Other	890	-
Total revenues without donor restrictions	1,185,205	724,395
EXPENSES		
Program services	1,005,733	418,200
Supporting activities		
Management & general	192,862	122,689
Fundraising	52,667	32,763
Total expenses	1,251,262	573,652
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of time restrictions	11,025	160,500
Change in net assets without donor restrictions	(55,032)	311,243
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions from public support	250,000	-
Net assets released from restrictions	(11,025)	(160,500)
Change in net assets with donor restrictions	238,975	(160,500)
Change in net assets	183,943	150,743
Net assets at beginning of year	655,829	505,086
Net assets at end of year	$ 839,772	$ 655,829

See accompanying notes.

FOCUSED INTERRUPTION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2024 and 2023

	2024			
		Supporting Activities		
	Program Services	Management & General	Fundraising	Total Expenses
Personnel	$ 800,471	$ 126,797	$ 29,902	$ 957,170
Professional fees	75,543	48,052	17,574	141,169
Occupancy	37,415	4,402	2,201	44,018
Grants	18,260	-	-	18,260
Technology	5,493	646	323	6,462
Depreciation	1,276	150	75	1,501
Repairs and maintenance	-	211	-	211
Insurance	5,063	3,008	298	8,369
Supplies	43,248	2,490	1,178	46,916
Transportation	5,217	614	307	6,138
Training	13,294	1,564	782	15,640
Meals	453	53	27	533
Conferences	-	2,562	-	2,562
Other	-	2,313	-	2,313
Total expenses	$ 1,005,733	$ 192,862	$ 52,667	$ 1,251,262

	2023			
		Supporting Activities		
	Program Services	Management & General	Fundraising	Total Expenses
Personnel	$ 351,425	$ 33,987	$ 28,577	$ 413,989
Professional fees	7,000	77,406	-	84,406
Occupancy	17,908	1,731	1,456	21,095
Grants	8,293	-	-	8,293
Technology	8,440	816	686	9,942
Depreciation	212	21	17	250
Repairs and maintenance	1,528	148	124	1,800
Insurance	2,239	2,318	182	4,739
Supplies	8,717	843	709	10,269
Transportation	8,945	865	727	10,537
Training	1,791	173	146	2,110
Meals	1,634	158	133	1,925
Conferences	68	7	6	81
Other	-	4,216	-	4,216
Total expenses	$ 418,200	$ 122,689	$ 32,763	$ 573,652

See accompanying notes.

FOCUSED INTERRUPTION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$	183,943	$	150,743
Adjustments to reconcile change in net assets to net cash flows from operating activities				
Depreciation		1,501		250
Amortization of operating lease right-of-use asset		31,752		9,128
(Increase) decrease in assets				
Unconditional promises to give		(239,832)		160,603
Grants receivable		(15,984)		(192,458)
Other receivables		(6,045)		-
Prepaid expenses		(1,843)		(2,965)
Security deposit		(1,152)		(2,516)
Increase (decrease) in liabilities				
Accounts payable		3,208		(2,788)
Accrued personnel		17,515		13,873
Operating lease liability		(31,876)		(8,828)
Net cash flows from operating activities		(58,813)		125,042
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of furniture and fixtures		-		(10,505)
Change in cash		(58,813)		114,537
Cash at beginning of year		276,798		162,261
Cash at end of year	$	217,985	$	276,798

See accompanying notes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Focused Interruption, Inc. uses a holistic approach to reduce generational trauma by providing evidence-based intervention and prevention services to the people, neighborhoods, and families most impacted by gun violence in Madison, Wisconsin and surrounding areas. Focused Interruption, Inc. is primarily supported through contributions from public support and government grants.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises are recorded at net realizable value with a discount recognized on long-term promises to give, if material.

Grants Receivable

Focused Interruption, Inc. receives grants from governmental agencies that are conditioned upon Focused Interruption, Inc. incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by Focused Interruption, Inc., both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. At December 31, 2024 and 2023, all grants are receivable in less than one year.

Furniture and Fixtures

Focused Interruption, Inc. capitalizes all expenditures for furniture and fixtures in excess of $2,500 while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Furniture and fixtures are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Leases

Focused Interruption, Inc. does not recognize short-term leases in the statement of financial position. For these leases, Focused Interruption, Inc. recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Focused Interruption, Inc. also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Focused Interruption, Inc. uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Except for professional fees, grants, repairs and maintenance, conferences, and other, all expenses are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Program Services— Provide services such as crisis response, peer mentorship, mental health and substance use support, job readiness and employment assistance, housing support, legal aid navigation, and access to basic needs. Its work centers around five key areas: Outreach, Community Safety Work, Mentorship, Aftercare and Recovery, and Support Groups.

Management & General—Management and general activities relate to the overall direction of Focused Interruption, Inc. and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of Focused Interruption, Inc., and perform other administrative functions.

Fundraising—Fundraising activities relate to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to Focused Interruption, Inc.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

Focused Interruption, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Focused Interruption, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management's Review

Management has evaluated subsequent events through June 24, 2025, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2024	2023
Receivable in less than one year	$ 120,950	$ 11,118
Receivable in one to five years	130,000	-
	$ 250,950	$ 11,118

NOTE 3—LEASES

Focused Interruption, Inc. leased office space under a short-term lease agreement that expired in September 2023 with monthly payments of $540. In September 2023, Focused Interruption, Inc. entered into a new lease for office space that expires on August 31, 2026. In October 2024, the lease was modified to add additional space. The lease requires monthly payments of $3,747 with an annual escalation of 3%.

The components of total lease cost are as follows:

	2024	2023
Operating lease cost	$ 34,753	$ 10,370
Short-term lease cost	-	4,860
Total	$ 34,753	$ 15,230

NOTE 3—LEASES (continued)

Other information related to leases is as follows:

	2023	2023
Cash paid for amounts included in the measurement of lease liability		
Operating cash flows from operating lease	$ 33,961	$ 10,065
Right-of-use asset obtained in exchange for new operating lease liability	27,526	87,310
Weighted-average remaining lease term for operating lease	1.67 years	2.67 years
Weighted-average discount rate for operating lease	3.61%	4.57%

The maturities of lease liability as of December 31, 2024, are as follows:

Year ending December 31:	
2025	$ 45,409
2026	30,872
Total minimum lease payments	76,281
Imputed interest	(2,150)
Total operating lease liability	$ 74,131

NOTE 4—NET ASSETS

The board of directors has designated net assets without donor restrictions for the following purposes:

	2024	2023
Operating reserve	$ 8,260	$ 8,260
Undesignated	581,512	636,544
	$ 589,772	$ 644,804

Net assets with donor restrictions are restricted for subsequent periods.

NOTE 5—CONCENTRATIONS

Credit Risk

Focused Interruption, Inc. maintains cash balances with a financial institution in Madison, Wisconsin. Balances on deposit are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2024, cash balances were fully insured. At December 31, 2023, uninsured cash balances totaled $26,928.

NOTE 5—CONCENTRATIONS (continued)

Revenue

During December 31, 2024 and 2023, Focused Interruption, Inc. received 70% and 98%, respectively, of its revenue from two and three donors/grantors, respectively.

NOTE 6—LIQUIDITY AND AVAILABILITY

The following table reflects Focused Interruption, Inc.'s financial assets as of the date of the statement of financial position reduced by amounts that are not available for general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions or internal board designations:

	2024	2023
Financial assets at end of year:		
Cash	$ 217,985	$ 276,798
Unconditional promises to give	250,950	11,118
Grants receivable	401,380	385,396
Other receivables	6,045	-
Total financial assets at end of year	$ 876,360	$ 673,312
Less those unavailable for general expenditures within one year due to		
Restricted by donor with time restrictions	(130,000)	-
Board designations	(8,260)	(8,260)
Financial assets available to meet cash needs for general expenditures within one year	$ 738,100	$ 665,052

Focused Interruption, Inc. strives to maintain liquid financial assets sufficient to cover general expenditures. In the event of an unanticipated liquidity need, Focused Interruption, Inc. can draw upon its board-designated net assets.

NOTE 7—RELATED PARTY

Focused Interruption, Inc. hired an outsourced chief operating officer who is related to the chief executive officer. The agreement with the outsourced chief operating officer started in 2022 and went through July 2023. No amounts were paid during the year ended December 31, 2024. Amounts paid during the year ended December 31, 2023 were $35,000. No amounts were due to the outsourced chief operating officer as of December 31, 2024 and 2023.