PERSEVERE, INC.

AUDITED FINANCIAL STATEMENTS
AND OTHER REPORTS

Year Ended December 31, 2024

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Persevere, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Persevere, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, the related statements of activities, functional expenses, and cash flows 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 financial position of Persevere, Inc. as of December 31, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Persevere, 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.

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 Persevere, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and *Government 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 GAAS and *Government 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 Persevere, 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 Persevere, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Persevere, Inc.'s 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
September 30, 2025

PERSEVERE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
ASSETS		
Current Assets:		
Cash	$ 53,039	$ 697,635
Accounts receivable	1,130,550	764,052
Prepaid expenses	6,415	9,700
Total current assets	1,190,004	1,471,387
Net Fixed Assets	16,202	27,791
Net Goodwill	572,161	642,944
Total assets	$ 1,778,367	$ 2,142,122
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	$ 358,316	$ 359,620
Unearned revenue	3,074	218,339
Current portion of note payable	3,750	3,648
Current portion of related party notes payable	187,584	-
Related party payables	57,440	179,375
Total current liabilities	610,164	760,982
Note Payable, less current portion	141,050	145,071
Related Party Notes Payable, less current portion	342,000	522,109
Total liabilities	1,093,214	1,428,162
Net Assets:		
Without donor restrictions	526,144	(491,777)
With donor restrictions	159,009	1,205,737
Total net assets	685,153	713,960
Total liabilities and net assets	$ 1,778,367	$ 2,142,122

The accompanying notes are an integral part of this financial statement.

PERSEVERE, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
Net Assets Without Donor Restrictions:		
Revenue and support:		
Federal grants	$ 9,081,970	$ 6,355,154
State grants and contracts	2,878,632	2,374,529
Other grants and contracts	535,371	482,550
Contributions	341,898	9,409
In-kind contributions	-	521,492
Interest	28	96
Fees for service	3,345	414,597
Other	129,751	12,649
Net assets released from restrictions	1,046,728	1,529,093
Total revenue and support	14,017,723	11,699,569
Loss on disposal of fixed assets	-	(4,751)
Gain on forgiveness of debt	-	69,921
Total revenues, support, and gains/losses	14,017,723	11,764,739
Expenses:		
Program services	11,202,109	9,546,975
Supporting services	1,797,693	1,684,197
Total expenses	12,999,802	11,231,172
Change in net assets without donor restrictions	1,017,921	533,567
Net Assets With Donor Restrictions:		
Grants	-	1,205,737
Net assets released from restrictions	(1,046,728)	(1,529,093)
Change in net assets with donor restrictions	(1,046,728)	(323,356)
Change in Net Assets	(28,807)	210,211
Net Assets at Beginning of Year	713,960	503,749
Net Assets at End of Year	$ 685,153	$ 713,960

The accompanying notes are an integral part of this financial statement.

PERSEVERE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	Program Services			Supporting Services		Totals	
	Technical Education	On-the-Job Training	Total Program Services	Management and General	Fundraising	2024	2023
Personnel	$ 8,797,551	$ 156,446	$ 8,953,997	$ 710,557	$ 80,923	$ 9,745,477	8,127,531
Occupancy	242,559	469	243,028	1,671	-	244,699	232,059
Communications	10,851	-	10,851	-	-	10,851	12,699
Marketing	34,311	175	34,486	282	5,599	40,367	13,358
Interest	-	7,475	7,475	7,290	-	14,765	35,747
Insurance	51,835	703	52,538	40,710	-	93,248	51,618
Information technology	213,475	-	213,475	16,716	191	230,382	113,370
Supplies	97,434	16,938	114,372	2,089	184	116,645	57,073
Office	47,790	416	48,206	3,538	141	51,885	38,008
Professional services	693,810	4,700	698,510	754,619	76,615	1,529,744	1,888,465
Travel	152,278	-	152,278	9,100	450	161,828	154,507
Technical supplies	667,349	-	667,349	574	-	667,923	433,958
Depreciation and amortization	-	-	-	82,372	-	82,372	71,949
Other	5,544	-	5,544	4,024	48	9,616	830
Total expenses	$11,014,787	$ 187,322	$11,202,109	$ 1,633,542	$ 164,151	$12,999,802	$11,231,172

The accompanying notes are an integral part of this financial statement.

PERSEVERE, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ (28,807)	$ 210,211
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	11,589	7,065
Amortization of goodwill	70,783	64,885
Loss on disposal of fixed assets	-	4,751
Gain on forgiveness of debt	-	(69,921)
Contribution of Shared Services Center, LLC	-	(439,859)
Accrued interest	7,475	-
Changes in operating assets and liabilities:		
Accounts receivable	(366,498)	(196,102)
Prepaid expenses	3,285	(2,720)
Accounts payable	(1,304)	(26,062)
Unearned revenue	(215,265)	215,265
Related party payables	(121,935)	(74,388)
Net cash used by operating activities	(640,677)	(306,875)
Cash Flows from Investing Activities:		
Cash received as contribution of Shared Services Center, LLC	-	99,087
Purchases of fixed assets	-	(32,574)
Net cash provided by investing activities	-	66,513
Cash Flows from Financing Activities:		
Repayment of related party notes payable	-	(127,500)
Repayment of note payable	(3,919)	(6,575)
Net cash provided (used) by financing activities	(3,919)	(134,075)
Net Change in Cash	(644,596)	(374,437)
Cash at Beginning of Year	697,635	1,072,072
Cash at End of Year	$ 53,039	$ 697,635

Supplementary Data:

The Organization paid $7,290 in interest and no income taxes during the year ended December 31, 2024.

The Organization had no noncash investing or financing activities during the year ended December 31, 2024.

The accompanying notes are an integral part of this financial statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Persevere, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

Persevere, Inc. (the Organization) is a nonprofit organization incorporated in 2014 in the State of Utah, for the purpose of empowering justice-involved individuals and individuals at risk for justice involvement to succeed as productive members of society. The Organization provides education, mentoring, and ongoing support by providing the skills these individuals need for employment in the technology industry as employees or as entrepreneurs.

On January 27, 2023, the Organization received all of the ownership interest in Shared Services Center, LLC, doing business as Banyan Labs (Banyan Labs), through a charitable contribution. Beginning on that date, Banyan Labs has been operated as an integrated program of the Organization and its operations are included in these financial statements.

Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Also, the Organization is exempt from state income taxes.

Revenue Recognition

Revenue from grants and contracts are recognized in the period in which approved expenditures are incurred or when services have been performed. Funds received in advance are recorded as unearned revenue. No allowance for credit loss has been established as management believes all amounts are collectable.

Prepaid Expenses

Prepaid expenses consist of amounts paid for which the benefit extends beyond the current period.

Fixed Assets

Fixed assets are stated at cost (or at fair value if donated). Fixed assets valued at $5,000 or more are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives as follows:

Leasehold improvements	7 years
Transportation equipment	5 years
Equipment and furniture	5 years

Compensated Absences

Employees meeting certain service requirements receive vacation leave benefits. The Organization records as an obligation for the amount of unpaid compensated absences up to the amount of funding available in the current period; the Organization is not liable for any unfunded, unpaid compensated absences.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable costs are charged to program and other activities and indirect costs are allocated based on estimated time and effort or square footage used. Such allocations are determined by management on an equitable basis.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Reclassifications

Certain items from December 31, 2023 have been reclassified to confirm with the December 31, 2024 presentation.

NOTE 2 – FIXED ASSETS

Fixed assets consisted of the following at December 31, 2024:

Leasehold improvements	$	2,880
Equipment and furniture		1,600
Software		32,575
		37,055
Accumulated depreciation		(20,853)
Net fixed assets	$	16,202

NOTE 3 – GOODWILL

Goodwill is related to the donation of the ownership interest in Banyan Labs (see Note 10) and is amortized over 10 years. Amortization expense was $70,783 for the year and accumulated amortization was $135,667 at December 31, 2024. A goodwill impairment test is required when a triggering event occurs. Management evaluated goodwill at December 31, 2024 and determined that the carrying value of goodwill was not impaired.

NOTE 4 – NOTES PAYABLE

The Organization obtained an Economic Injury Disaster Loan from the U.S. Small Business Administration totaling $150,000. This loan bears interest at 2.75 percent, requires monthly payments of $641, matures June 2050, and is collateralized by the assets of the Organization.

A summary of principal maturities is as follows:

Year Ending December 31,		
2025	$	3,750
2026		3,854
2027		3,961
2028		4,072
2029		4,185
Thereafter		124,978
	$	144,800

NOTE 5 – NET ASSETS

The Organization has donor-restricted net assets totaling $159,009 at December 31, 2024. The balance is restricted for Advancing Racial Equity program ($157,676), and for direct participant costs and support for the Arizona program ($1,333).

Amounts released from restrictions were related to Advancing Racial Equity program ($79,238), direct participant costs and support for the Arizona program ($48,667), and the Promoting Rural Innovation for Dependable Employment program ($918,823) during the year ended December 31, 2024.

NOTE 6 – COMMITMENTS

The Organization has entered into short-term lease agreements for office space with various maturities during 2025. Total rent paid was $166,356 for the year ended December 31, 2024.

NOTE 7 – CONCENTRATIONS

At December 31, 2024, the Organization's carrying amount of bank deposits was $53,039 and the bank balances total $100,881, all of which was covered by federal depository insurance.

NOTE 8 – RELATED PARTY TRANSACTIONS

Persevere has a note payable with the board chair. This note bears no interest and matures November 2029. The balance owed was $342,000 at December 31, 2024.

Banyan Labs has a note payable with the board chair. This note bears interest at 4 percent and matures December 2025. The balance owed was $187,584 at December 31, 2024.

The Organization also owes the board chair an additional $42,000 reported as "related party payables" at December 31, 2024.

The Organization is closely affiliated with Allvest Information Services, Inc., doing business as Vant4ge (Vant4ge), a company partially owned by the board chair. Vant4ge has committed to subsidize the Organization's operations. The Organization recognized contributions totaling $331,845 from Vant4ge during the year ended December 31, 2024.

The Organization also paid Vant4ge $430,814 for goods and services during the year ended December 31, 2024. The amount owed to Vant4ge totaled $16,440 reported as "related party payables" at December 31, 2024.

The Organization rents a home from Multiple Streams LLC, a company partially owned by the board chair. Total rent was $30,000 for the year and no amount was owed at December 31, 2024.

NOTE 9 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2024:

Financial assets at year end:	
Cash	$ 53,039
Accounts receivable	1,488,976
Total financial assets	1,542,015
Less amounts not available to be used within one year:	
Net assets with donor restrictions	159,009
Financial assets available to meet general expenditures over the next twelve months	$ 1,383,006

The Organization's goal is to maintain financial assets to meet three months of operating expenses (approximately $3,250,000). Operating expenses are defined by the Organization as total expenses less depreciation and amortization. The Organization has obtained financing from related parties to assist with cash flow needs.

NOTE 10 – SUBSEQUENT EVENTS

On May 13, 2025, the Organization entered a financing arrangement providing the Organization access to $250,000 secured by the Organization's accounts receivable.

The Organization evaluated subsequent events through September 30, 2025, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

Year Ended December 31, 2024

PERSEVERE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Receivable (Unearned) at 12/31/23	Receipts	Expenditures	Receivable (Unearned) at 12/31/24
U.S. Department of Agriculture:						
Passed Through SNAP E&T:						
SNAP Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	n/a	$ -	$ 1,445	$ 1,445	$ -
U.S. Department of Commerce:						
Direct:						
Economic Development Cluster:						
Economic Adjustment Assistance	11.307	ED22HDQ3070105	(129,328)	4,139,373	4,352,809	84,108
U.S. Department of Justice:						
Direct:						
Second Chance Act Reentry Initiative	16.812	2020-CY-BS-0029	76,920	596,062	519,142	-
U.S. Department of Labor:						
Direct:						
Reentry Employment Opportunities	17.270	PE-36559-21-60-A-47	36,010	381,011	345,001	-
Passed Through Arizona Governor's Office of Youth, Faith & Family:						
WIOA Cluster:						
WIOA Adult Program	17.258	DS23-003180	-	852,271	926,956	74,685
U.S. Department of Health and Human Services:						
Passed Through Tennessee Department of Human Services:						
Temporary Assistance for Needy Families	93.558	68106 / 239306	406,433	2,693,184	2,936,617	649,866
Total federal awards			$ 390,035	$ 8,663,346	$ 9,081,970	$ 808,659

See accompanying notes to the schedule of expenditures of federal awards.

PERSEVERE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – GENERAL

The schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of Persevere, Inc. (the Organization). The Organization reporting entity is defined in Note 1 to the Organization's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the Schedule.

NOTE B – BASIS OF ACCOUNTING

The Schedule is presented using the accrual basis of accounting.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Organization has elected to use an agreed-upon indirect cost rate of 14 percent.

NOTE C – SUBRECIPIENTS OF FEDERAL AWARD PROGRAMS

The Organization did not provide federal award funding to any subrecipient during the year ended December 31, 2024.

OTHER REPORTS

Year Ended December 31, 2024

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Board of Directors
Persevere, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Persevere, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Persevere, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Persevere, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Persevere, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Persevere, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Persevere, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
September 30, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required the Uniform Guidance

Board of Directors
Persevere, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Persevere, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on out audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material, if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
September 30, 2025

PERSEVERE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

Identification of Major Federal Programs

Name of Federal Program (Assistance Listing Number)

WIOA Cluster:
WIOA Adult Program (17.258)
Temporary Assistance for Needy Families (93.558)

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

PERSEVERE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported in the prior year audit.