

## Independent Accountant's Report

To Management  
Thomson Reuters (Tax and Accounting) Inc.

We have examined:

- The content related to the relevant standards and interpretive guidance in Thomson Reuters' quality management materials (QMM) titled *PPC's Guide to Cash, Tax, and Other Bases of Accounting*, August 25, 2025, 29th Edition, available in print and online at [Checkpoint.RIAG.com](http://Checkpoint.RIAG.com) (the "QMM Content")
- The accompanying description prepared by Thomson Reuters titled "Description, as of August 31, 2025, of Thomson Reuters' *PPC's Guide to Cash, Tax, and Other Bases of Accounting*, August 25, 2025, 29th Edition" (the "Description")

Management of Thomson Reuters (Tax and Accounting) Inc. is responsible for the QMM Content being in accordance with the QMM Content Criteria included in Attachment A and for the Description being in accordance with the QMM Description Criteria included in Attachment A (collectively, the "QMM Criteria"). Our responsibility is to express an opinion on the QMM Content and the Description based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the QMM Content and the Description are in accordance with the QMM Criteria in all material respects. An examination involves performing procedures to obtain evidence about the QMM Content and the Description. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the QMM Content and the Description, whether due to fraud or error. In making an assessment of the risks of material misstatement, we considered and obtained an understanding of internal control relevant to the subject matter in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, in all material respects:

- The QMM Content is in accordance with the QMM Content Criteria specified in Attachment A.
- The Description is in accordance with the QMM Description Criteria specified in Attachment A.

This report is intended solely for the information and use of management of Thomson Reuters (Tax and Accounting) Inc., users and potential users of the QMM Content, and users' peer reviewers and regulators.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

February 25, 2026

## **Attachment A: QMM Content Criteria and QMM Description Criteria**

### **QMM Content Criteria**

The quality management materials (QMM) are in accordance with the following criteria:

**CC1:** The content of the quality management materials (QMM) identified in the description (QMM content) accurately reflects the standards and interpretive guidance relevant to the QMM that are addressed by the QMM and address them in the manner described in the description, including the following:

- a. QMM content reproduced in whole or in part from standards and interpretive guidance does the following:
  - i. Appropriately references the relevant standards and interpretive guidance to enable user firms to locate the content
  - ii. Agrees with the relevant standards and interpretive guidance
- b. QMM content derived from the standards and interpretive guidance explains, elaborates, interprets, or paraphrases the relevant standards and interpretive guidance in a manner that does not change the meaning and intent of the standards and interpretive guidance.
- c. QMM content that illustrates the application of the relevant standards and interpretive guidance is not in conflict with the standards and interpretive guidance.

**CC2:** QMM content

- a. Identifies assumptions or judgments made in developing QMM content related to the relevant standards and interpretive guidance, if any.
- b. Identifies QMM content that is based on widely recognized or generally accepted practice rather than on the relevant standards and interpretive guidance.
- c. Identifies QMM content that represents the QMM provider's opinion or interpretation of the relevant standards and interpretive guidance.
- d. Uses the same terminology and definitions used in the relevant standards and interpretive guidance.

**CC3:** QMM content does not omit relevant principles, topics, requirements, considerations, procedures, or other aspects of the relevant standards and interpretive guidance, other than those identified in the description of the QMM in accordance with DC9 or DC10.

**CC4:** If the description indicates that a purpose of the QMM content is to provide a means to document compliance with the standards and interpretive guidance addressed by the QMM, the QMM content enables user firms to do so.

### **QMM Description Criteria**

The description of the content of quality management materials (the description) contains the following information:

**DC1:** An identification of the quality management materials (QMM) addressed by the description, including the following:

- a. The title of the QMM, including the version name, number, or date
- b. The format of the QMM and, if the QMM are in the format of application software, the delivery method

**Attachment A: QMM Content Criteria and QMM Description Criteria  
(Continued)**

**DC2:** An identification of any elements of the QMM content that are provided by another QMM provider

**DC3:** An identification of any elements (parts) of the QMM content that are not addressed by the description. If applicable, identify how the elements relate to the entirety of the QMM.

**DC4:** The date of the description

**DC5:** A statement that “[*Identification of the QMM addressed by the description*] are quality management materials (QMM). The AICPA defines QMM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm’s system of quality management and promote consistency in performing quality engagements. QMM may be made available through technology, for example, through automated tools and techniques, and IT applications. QMM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements, or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services. QMM would be considered an intellectual resource as described in QM section 10, *A Firm’s System of Quality Management*.”

**DC6:** An identification of the characteristics of the QMM, including the following:

- a. The type of QMM and purpose of the type of QMM
- b. The topics addressed by the QMM
- c. If the QMM are intended to be used for a specific type of engagement or specific aspects of an engagement, an identification of the characteristics of that engagement, including the following:
  - i. The relevant characteristics of the type of client for which the QMM are intended to be used, including the following:
    - Area of practice
    - Industry
    - Form or type of organization
    - Operational characteristics
  - ii. The characteristics of the type of engagement for which the QMM are intended to be used, including the following:
    - Area of service
    - Level of service
    - Unique characteristics of the engagement

**DC7:** An identification of QMM, other than the QMM identified for DC1, necessary to accomplish the purpose of the QMM as noted in DC6a.

**DC8:** An identification of the standards and interpretive guidance relevant to the QMM that the QMM address, including the following:

- a. The standard-setting body that issued the standards and interpretive guidance
- b. Either:
  - i. The date through which the QMM address issued and effective standards and interpretive guidance (date approach), or
  - ii. The number and title of the most recently issued and effective standards and interpretive guidance addressed by the QMM (title approach)

**Attachment A: QMM Content Criteria and QMM Description Criteria  
(Continued)**

**DC9:** An identification of standards and interpretive guidance relevant to the QMM that were issued and effective up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii) but:

- a. Not addressed by the QMM
- b. Not fully addressed by the QMM, including why the relevant standards and guidance were not fully addressed, and how they were addressed by the QMM

**DC10:** A description of how the QMM address standards and interpretive guidance relevant to the QMM that were issued but *not effective* up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii), including the following:

- a. The title and effective date of the standards and interpretive guidance
- b. Whether the standards and interpretive guidance are addressed by the QMM and, if so, how they are addressed
- c. Whether the standards and interpretive guidance allow for early implementation or adoption

**DC11:** A description of the QMM provider's policy for updating the QMM content, including the nature and anticipated timing of updates

**DC12:** A statement that user firms are responsible for the following:

- a. Determining whether the QMM are suitable for the user firm's purposes
- b. Understanding that the QMM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment
- c. Using QMM that reflect the most current (up-to-date) relevant standards and interpretive guidance that are applicable in the circumstances and accessing and using relevant standards and interpretive guidance that are applicable in the circumstances that are not addressed or not fully addressed by the QMM
- d. Properly implementing the QMM and using professional judgment in the application of the QMM based on the facts and circumstances (for example, of each engagement)
- e. Providing the appropriate training for the use of the QMM and performing the appropriate supervision and review procedures regarding the use of the QMM, based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QMM; in that case, understanding that the QMM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance

Understanding that the effectiveness of the QMM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions

## **Description, as of August 31, 2025, of Thomson Reuters' PPC's Guide to Cash, Tax, and Other Bases of Accounting, August 25, 2025, 29th Edition**

*PPC's Guide to Cash, Tax, and Other Bases of Accounting*, August 25, 2025, 29th Edition (the Guide), is available in print and online at Checkpoint.RIAG.com. The Guide consists of chapter text and multiple practice aids, including illustrative auditor's and accountant's reports, engagement programs, checklists, and correspondence letters. These practice aids are included in this description and are available as uneditable PDFs on Checkpoint.RIAG.com as part of the Guide.

PPC's Workflow Tools are not included in this description. The Workflow Tools, which are designed to enhance productivity, efficiency, and quality when used in combination with the Guide, include PPC's Practice Aids, Thomson Reuters Guided Assurance (formerly Checkpoint Engage), and PPC's SMART Practice Aids.

- PPC's Practice Aids: Cash, Tax, and Other Bases of Accounting (version 8/25) are editable Microsoft Word and Excel versions of all practice aids in the Guide and may be used alone or through Thomson Reuters Guided Assurance or SMART Practice Aids.
- Thomson Reuters Guided Assurance is a fully integrated online engagement solution that provides enhanced technological functionality of the content and engagement methodology in the Guide, while SMART Practice Aids is a desktop application that provides similar functionality.

### **Definition of QMM**

PPC's Cash, Tax, and Other Bases of Accounting are quality management materials (QMM). The AICPA defines QMM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm's system of quality management and promote consistency in performing quality engagements. QMM may be made available through technology, for example, through automated tools and techniques, and IT applications.

QMM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services. QMM would be considered an intellectual resource as described in QM section 10, *A Firm's System of Quality Management*.

### **Other QMM Providers**

The elements of the QMM provided and within this description are delivered by Thomson Reuters (Tax and Accounting) Inc. (Thomson Reuters) and no other QMM provider.

### **Characteristics of the QMM**

The Guide provides the following:

- A full set of guidance and practice aids to perform compilations and reviews in accordance with Statements on Standards for Accounting and Review Services (SSARs) of the financial statements of nonpublic for-profit entities prepared in accordance with the cash or tax bases of accounting.
- Limited guidance and practice aids for reporting on an audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS) of financial statements of nonpublic for-profit entities prepared in accordance with cash, tax, or other bases of accounting.

The practice aids provide a means to document compliance with relevant standards and interpretive guidance and include illustrative auditor's and accountant's reports, engagement and management representation illustrative letters, checklists, and engagement programs.

The Guide provides limited audit guidance primarily surrounding reporting. For a complete audit solution, the Guide is intended to be used in conjunction with other PPC quality management materials, such as *PPC's Guide to Audits of Nonpublic Companies*.

## **Description, as of August 31, 2025, of Thomson Reuters' PPC's Guide to Cash, Tax, and Other Bases of Accounting, August 25, 2025, 29th Edition**

The Guide addresses engagement-level quality management requirements but does not address firm-level quality management system requirements. Consequently, for compilation and review engagements, the Guide is intended to be used in conjunction with *PPC's Guide to Quality Management* or *PPC's Guide to Quality Management—Compilation and Review*.

### **Relevant Standards and Interpretive Guidance Addressed by the Guide**

#### ***Compilation and Review Standards and Interpretive Guidance***

The Guide addresses relevant compilation and review standards and interpretive guidance issued and effective by the Accounting and Review Services Committee (ARSC) of the AICPA through August 25, 2025.

Although the following may not be fully effective at the time of publication, the user applying the guidance in the Guide must evaluate each standard's applicability and effective date based on the period covered in each specific engagement. The following preparation, compilation, and review standards were issued before August 25, 2025, and are fully incorporated into the Guide, with dual guidance provided:

- SSARS No. 26, *Quality Management for an Engagement Conducted in Accordance With Statements on Standards for Accounting and Review Services*, is effective for engagements performed in accordance with SSARSs for periods beginning on or after December 15, 2025, other than the amendment to AR-C 90.16, which was effective upon issuance. SSARS No. 26 does not prohibit early implementation.
- SSARS No. 27, *Applicability of AR-C Section 70 to Financial Statements Prepared as Part of a Consulting Services Engagement*, is effective for the preparation of financial statements for periods ending on or after December 15, 2026, with early implementation permitted.

The Guide also addresses the AICPA Guide, *Preparation, Compilation, and Review Engagements*, as of September 1, 2024.

#### ***Auditing Standards and Interpretive Guidance***

The Guide only provides limited guidance and practice aids for reporting on audits of financial statements in accordance with cash, tax, or other bases of accounting, and it does not provide any guidance or practice aids for performing an audit engagement. Accordingly, most auditing standards and interpretive guidance are not addressed in detail in the Guide. When the SSARSs relevant to a compilation or review engagement do not address a topic, the Guide refers to the auditing standards when necessary to create context and suggest best practices for those engagements.

The Guide addresses relevant auditing standards and interpretive guidance issued and effective by the Auditing Standards Board (ASB) of the AICPA through August 25, 2025.

Although the following may not be fully effective at the time of publication, the user applying the guidance in the Guide must evaluate the standard's applicability and effective date based on the period covered in each specific engagement. The following auditing standard was issued before August 25, 2025, and is fully incorporated into the Guide, with dual guidance provided:

- SAS No. 146, *Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards*, is effective for engagements conducted in accordance with U.S. GAAS for periods beginning on or after December 15, 2025. The Guide provides an overview of SAS No. 146; however, the requirements of this standard have not been incorporated into this edition of the Guide. It is expected to be fully incorporated into a future edition of the Guide. SAS No. 146 does not prohibit early implementation.

## Description, as of August 31, 2025, of Thomson Reuters' PPC's Guide to Cash, Tax, and Other Bases of Accounting, August 25, 2025, 29th Edition

### Other AICPA Professional Standards

The Guide incorporates professional standards from the AICPA, beyond the compilation, review, and auditing standards, that are relevant to this Guide. These include standards relating to ethics from the AICPA *Code of Professional Conduct* in the context of their application to the Guide.

### Accounting Standards

The primary focus of the Guide is on financial statements prepared using a special purpose framework, such as the cash or tax basis of accounting; however, it refers to accounting principles generally accepted in the United States of American (U.S. GAAP) when necessary to create context and suggest appropriate accounting treatment for special purpose framework financial statements. In addition, relevant accounting standards with disclosure requirements are considered in the Disclosure Checklists (Appendixes 4A and 5A).

The Guide addresses relevant accounting standards issued and effective by the Financial Accounting Standards Board (FASB) through August 25, 2025, and up to FASB Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments--Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*.

Although the following may not be fully effective at the time of publication, the user applying the guidance in the Guide must evaluate each standard's applicability and the effective date based on the period covered in each specific engagement. The following relevant accounting standards were issued before August 25, 2025, and dual guidance is provided, except as noted:

- ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, is effective for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted for financial statements that have not been made available for issuance.
- ASU No. 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, is effective for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted.
- ASU No. 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*, is effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption is permitted for financial statements that have not been made available for issuance.
- ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, is effective prospectively two years after the effective date of the removal of related guidance in Regulation S-X or Regulation S-K by the SEC. As of August 25, 2025, the SEC had not removed the related guidance; thus, the effective date had not yet been defined. (If the SEC does not remove the guidance by June 30, 2027, the amendments in the ASU will not become effective.) Early adoption is permitted for entities other than those that are subject to the SEC's existing disclosure requirements. The Disclosure Checklists have not been updated with the corresponding disclosure requirements.
- ASU No. 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*, is effective for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted for financial statements that have not been made available for issuance.
- ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, is effective for fiscal years beginning after December 15, 2025. Early adoption is permitted for financial statements

## Description, as of August 31, 2025, of Thomson Reuters' PPC's Guide to Cash, Tax, and Other Bases of Accounting, August 25, 2025, 29th Edition

that have not been made available for issuance.

- ASU No. 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest Awards and Similar Awards*, is effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted for financial statements that have not been made available for issuance.
- ASU No. 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements*, is effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted for financial statements that have not been made available for issuance.
- ASU No. 2024-04, *Debt—Debt With Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, is effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted for entities that have adopted the amendments of ASU 2020-06.
- ASU No. 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, is effective for fiscal years beginning after December 15, 2026, and interim periods within those years. Early adoption is permitted at the beginning of the fiscal year or an interim period within those years.
- ASU No. 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*, is effective for fiscal years beginning after December 15, 2026, and interim periods within those years. Early adoption is permitted.
- ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, is effective for annual periods beginning after December 15, 2025, and interim periods therein. Early adoption is allowed for financial statements that have not been made available for issuance. The Disclosure Checklists have not been updated with the corresponding disclosure requirements.

### **Policy for Updating the QMM Content**

Thomson Reuters updates *PPC's Cash, Tax, and Other Bases of Accounting* annually and generally releases a new edition each fall to reflect changes in standards and interpretive guidance, content enhancements, and the corrections of minor errors not previously updated. The Guide referenced herein was completed on August 25, 2025, and no changes have been made to this specific edition of the Guide since then.

### **User Firm Responsibilities**

User firms are responsible for the following:

- a. Determining whether the QMM are suitable for the user firm's purposes
- b. Understanding that the QMM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment
- c. Using QMM that reflect the most current (up-to-date) relevant standards and interpretive guidance that are applicable in the circumstances accessing and using relevant standards and interpretive guidance that are applicable in the circumstances that not addressed or not fully addressed by the QMM
- d. Properly implementing the QMM and using professional judgment in the application of the QMM based on the facts and circumstances (for example, of each engagement)

**Description, as of August 31, 2025, of Thomson Reuters' PPC's Guide to Cash, Tax, and Other Bases of Accounting, August 25, 2025, 29th Edition**

- e. Providing the appropriate training for the use of the QMM and performing the appropriate supervision and review procedures regarding the use of the QMM based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QMM; in that case, understanding that the QMM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance
- i. Understanding that the effectiveness of the QMM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions