

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 Practice Aids for Audits of Real Estate Entities*, May 11, 2025, 12th Edition, accessible through EngagementManager.ThomsonReuters.com (formerly AdvanceFlow.com) and available for download on Checkpoint.RIAG.com (the "QMM Content")
- The accompanying description prepared by Thomson Reuters titled "Description, as of May 30, 2025, of Thomson Reuters' *PPC's Practice Aids for Audits of Real Estate Entities*, May 11, 2025, 12th 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.

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
- i. 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 May 30, 2025, of Thomson Reuters' PPC's Practice Aids for Audits of Real Estate Entities, May 11, 2025, 12th Edition

PPC's *Practice Aids for Audits of Real Estate Entities*, May 11, 2025, 12th Edition (the Practice Aids), are accessible through [EngagementManager.ThomsonReuters.com](https://www.thomsonreuters.com/engagementmanager) (formerly [AdvanceFlow.com](https://www.advanceflow.com)) and available for download on [Checkpoint.RIAG.com](https://www.checkpointriag.com). The Practice Aids consist of introductory text and multiple practice aids, including illustrative auditor's reports, audit programs, checklists, and confirmation and correspondence letters. The Practice Aids are editable Microsoft Word and Excel documents.

Thomson Reuters Guided Assurance (formerly Checkpoint Engage) and PPC's SMART Practice Aids are Workflow Tools that are not included in this description. They are designed to enhance productivity, efficiency, and quality when used in combination with the 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 Practice Aids.
- PPC's SMART Practice Aids is a desktop application that provides similar functionality.

Definition of QMM

PPC's *Practice Aids for Audits of Real Estate Entities* 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 Practice Aids provide a full set of practice aids to perform an audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) of the financial statements of a nonpublic real estate entity engaged in developing, managing, and owning real estate projects for its own use or for sale to others (including real estate operators, real estate developers, and retail land sales developers). The Practice Aids are intended to be used in conjunction with the guidance in *PPC's Guide to Audits of Nonpublic Companies* (ASB).

The unique characteristics and the necessary responses and procedures that would apply to the following real estate entities or activities are not addressed within the Practice Aids:

- Public real estate entities
- Common interest realty associations (CIRAs). Auditors should use *PPC's Guide to Homeowners' Associations and Other Common Interest Realty Associations* when auditing those types of entities.
- HUD-assisted multifamily entities. Auditors should use *PPC's Guide to HUD Audits* when auditing those types of entities.
- Time-sharing activities
- Real estate entities involved in the hospitality industry, such as hotels
- Land development or construction activities taking place on property that is not owned by the real estate entity being audited. Auditors should use *PPC's Guide to Construction Contractors* when auditing those types of entities.

Description, as of May 30, 2025, of Thomson Reuters' PPC's Practice Aids for Audits of Real Estate Entities, May 11, 2025, 12th Edition (Continued)

The Practice Aids provide a means to document compliance with relevant standards and interpretive guidance and include limited illustrative auditor's reports; engagement, management representation, confirmation, and other illustrative letters; checklists; and audit programs. The Practice Aids are designed to complement, rather than replace, ASB. As such, the audit guidance included in the chapters of ASB is not repeated in the Practice Aids. Accordingly, references to ASB are included throughout the Practice Aids to direct auditors to that extensive guidance.

The Practice Aids do not provide comprehensive guidance and illustrations on auditor's reports. Additionally, the Practice Aids address engagement-level quality management requirements but do not address firm-level quality management system requirements. Consequently, the Practice Aids are intended to be used in conjunction with *PPC's Guide to Auditor's Reports* and *PPC's Guide to Quality Management*.

Relevant Standards and Interpretive Guidance Addressed by the Practice Aids

Auditing Standards and Interpretive Guidance

The Practice Aids address relevant auditing standards and interpretive guidance issued and effective by the Auditing Standards Board of the AICPA through May 11, 2025.

Although the following may not be fully effective at the time of publication, the user applying guidance in the Practice Aids must evaluate each standard's applicability and effective date based on the period covered in each specific engagement. The following auditing standards were issued before May 11, 2025, and are fully incorporated into the Practice Aids, 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. SAS No. 146 does not prohibit early implementation.
- SAS No. 149, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)*, is effective for audits of group financial statements for periods ending on or after December 15, 2026. SAS No. 149 does not prohibit early implementation.

Other AICPA Professional Standards

The Practice Aids incorporate professional standards from the AICPA, beyond the auditing standards, that are relevant to these Practice Aids. These include standards relating to ethics from the AICPA *Code of Professional Conduct* in the context of their application to the Practice Aids.

Accounting Standards

The primary focus of the Practice Aids is on AICPA engagement standards rather than accounting standards; however, they do provide limited relevant industry accounting guidance. In addition, accounting standards with disclosure requirements are included in the Disclosure Checklists (PRS-CX-13.1 and PRS-CX-13.2).

The Practice Aids address relevant accounting standards issued and effective by the Financial Accounting Standards Board (FASB) through May 11, 2025, and up to FASB Accounting Standards Update (ASU) No. 2025-02, *Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122*.

Description, as of May 30, 2025, of Thomson Reuters' PPC's Practice Aids for Audits of Real Estate Entities, May 11, 2025, 12th Edition (Continued)

Although the following may not be fully effective at the time of publication, the user applying the guidance in the Practice Aids must evaluate each standard's applicability and effective date based on the period covered in each specific engagement. The following relevant accounting standards were issued through May 11, 2025, and dual guidance is provided:

- 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 prospectively 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 the related guidance in Regulation S-X or Regulation S-K by the SEC. As of May 11, 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.
- 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 that have not been made available for issuance.
- ASU No. 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest 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 No. 2020-06.

Description, as of May 30, 2025, of Thomson Reuters' PPC's Practice Aids for Audits of Real Estate Entities, May 11, 2025, 12th Edition (Continued)

Policy for Updating the QMM Content

Thomson Reuters updates *PPC's Practice Aids for Audits of Real Estate Entities* annually and generally releases a new edition each summer to reflect changes in standards and interpretive guidance, content enhancements, and the corrections of minor errors not previously updated. The Practice Aids referenced herein were completed on May 11, 2025, and no changes have been made to this specific edition of the Practice Aids 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 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
- i. Understanding that the effectiveness of the QMM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions