

Financial Reporting – Levels of Assurance

Our services in reporting on financial statements include different levels of assurance. Depending on our clients' needs and operating structure, we offer the following assurance levels:

- An *audit* results in the issuance of an opinion, based on generally accepted auditing standards, on the fairness with which the financial statements present financial position as well as results of operations and cash flows of the organization.
- A *review* expresses limited assurance that there are no material modifications that should be made to the financial statements in order for them to conform to generally accepted accounting principles.
- A *compilation* involves taking the client's existing financial information and compiling it into financial statement formats. No opinion is expressed about the quality or validity of the financial information.

To support an opinion in an audit engagement, we corroborate the amounts entered into the financial statements by examining documents and confirming amounts and transactions with third parties. In addition, we evaluate the internal controls over financial reporting, and perform numerous other procedures required by generally accepted auditing standards.

A report on a review of financial statements provides less assurance than an audit. Review procedures include performing analytical tests of financial ratios and changes and inquiry of management about the accounts and transactions entered into the financial statements.

A compilation report on financial statements does not include assurance of the financial statement presentation. During a compilation, we assist the company in preparing the financial statements and related disclosures in conformity with generally accepted accounting principles.