



Levels of Assurance

Audit, review, and compilation engagements provide different levels of financial statement assurance for lenders, investors, and governing boards.



Audit

Highest level of assurance | Best for Lenders, regulators, nonprofits, or investor reporting | Provides an independent opinion that financial statements are fairly presented.



Review

Limited level of assurance | Best for Businesses seeking external credibility without a full audit | Provides analytical procedures and inquiries to assess financial statement reasonableness.



Compilation

No assurance provided | Best for Internal reporting or basic financial statement preparation | Presents management's financial information in formal financial statement format.

When It's Required

The required level of assurance is often determined by lenders, investors, grantors, or regulators. Understanding these expectations early helps prevent delays in financing, reporting, or compliance.

Why It Matters

Different stakeholders often require different levels of financial statement assurance. Choosing the appropriate engagement ensures reporting meets expectations while balancing cost and oversight.

Choosing the Right Level of Assurance

Not sure which engagement your organization requires? Our team can help determine the appropriate level of assurance based on your reporting needs and stakeholder expectations.

Modesto 209-577-4800 | Sonora 209-536-1218 | athertoncpas.com



ATHERTON
& ASSOCIATES, LLP

Tax • Assurance • Consulting