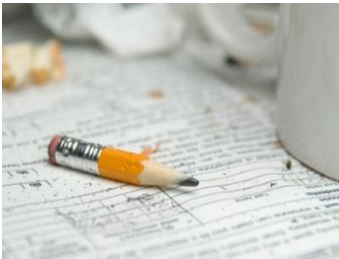


Which Service is the Best Fit For Your Company?



What type of services should your accountant be providing to your company? There are a variety of services you and your accountant can engage in based on your company's needs and reporting requirements from lenders, governmental bodies, and other entities/investors that rely on your company's financial statements. It is essential to engage in the appropriate level of service to ensure that all outside requirements are fulfilled, but equally important to ensure you as business owners and management receive services matched to your needs.

Komisar Brady as well as other accounting firms offer the following financial statement services, differentiated by the level of assurance provided:



Compilation – A compilation consists of presenting financial information in the form of financial statements. It is the lowest level of service an accounting firm can provide in regard to financial statements.

Primary Objective: Present financial statements based on information that is the representation of management without providing assurance in regard to whether the financial statements are accurate in conformity with Generally Accepted Accounting Principles.

Primary Use: A compiled set of financial statements is most commonly used in small privately-held entities that require outside assistance in preparing financial statements but do not have significant outside lenders or investors requesting a higher level of service.



Review – A review engagement consists of limited procedures that allow the accountant to express limited assurance regarding the financial statements.

Primary Objective: Review an entity's financial statements through the use of analytical procedures and inquisition of management to ultimately provide limited assurance that the accountant "is not aware of any material modifications that should be made to the financial statements to be in conformity with Generally Accepted Accounting Principles."

Primary Use: Reviewed financial statements are most commonly used by entities that are required to submit financial statements to a third party to meet agreed upon requirements. Due to the nature of the agreement and the third party's relationship with the business, the third party requires a lower level of assurance compared to a full audit.



Audit – An audit represents the highest level of assurance an accountant can provide in regard to an entity’s financial statements.

Primary Objective: Express a formal opinion on an entity’s financial statements through a logical review and unbiased examination of management’s financial statements. An accountant provided positive assurance in regard to audited financial statements.

Primary Use: Audited financial statements are most often used by public entities with securities that are traded on a stock exchange and other private entities that may have third-party obligations that require submission of audited financial statements. Not-for-profit entities and others that receive governmental funding may also require an audit for regulatory of compliance reasons.

The level of assurance your accountant provides may be critical to fulfilling loan covenants, regulatory requirements, or other benchmarks demanded by third-parties. Understanding the service provided assists your company in managing expenses, maintaining a positive relationship with third parties, and the overall success of your company.