

WPA FINANCE COMMITTEE

ROSTER OF MEMBERSHIP

Peggy Phillips, Inge Ebert, Marilyn Weitz, Brenda Martin, Nick Wainwright, Bryan Lawrimore, and Michele Bennett (consultant on QBooks).

The Committee meet on January 19th, agenda attached. And recommends the following,

The WPA conducts two audits covering fiscal years 2024/2025. For 2024, the Committee recommends an audit review, and for 2025 a full audit. The full audit will include a management letter covering internal controls, potential weaknesses in financial processes, gaps in documentation, and accounting errors that may not be visible in day-to-day operations. Estimated cost of the audits will be between \$8,000 and \$10,000.

Second, the Committee recommends that the Treasurer be directed to invest up to \$150,000 of available funds for a period of not more than 9 months.

The Committee reviewed the following items:

Discussed the potential review of Treasurer and Committee responsibilities under the WPA By-Laws and Policies, the Committee will examine constructive amendments.

Will coordinate with the 5-year committee for all capital X projects and assign two Committee members to the 5-year planning (Brenda Martin and Nick Wainwright).

Reviewed the insurance building, ground and rental expenses and decided to submit 4 additional claims, Flowers and shrubs, Cypress room rental, signage and office ceiling. These claims will total more than \$9,000.

Considered the possible exit through a buyout of the Spectrum contract for better line service, the Committee will review for future recommendation. Discuss with Spectrum the additional options of offering mobile service through discount pricing under the WPA's present cable contract. This may include other mobile carriers such as Verizon, T-Mobile, Frontier, etc.

Spectrum discussed the issue of renters who have cable invoices unpaid after their rental agreements expire. Inge will update.

The Committee will review the 2026 Operating and Spectrum budgets at its next meeting for revisions.

WPA FINANCE COMMITTEE

AGENDA

Location: WPA OFFICE

Date: JANUARY 19, 2025

Time: 4:00PM

AGENDA DETAILS

I. INTRODUCTIONS

A. JONATHAN- INTRODUCES MEMBERS

II. NEW BUSINESS

- a. AGENDA ITEMS TO ADD OR SUBTRACT
- b. COMMITTEE Goals/Objectives for 2026
 - a. Complete 2024/2025 tax returns
 - b. Complete WPA audits for 2024/2025
 - c. Review Finance Policies & Bylaws
 - d. Monthly year-to-date Budget report for Operating & Spectrum
 - e. Develop a 5-year forecast for WPA Capital assessments & other alternative funding options.

III. OLD BUSINESS

- a. Review of year-end WPA Account & Investment Report.
- b. Spectrum Account Report
- c. Building Insurance Claim update & possible Claw back of expenses.
- d. Review of Russell Bach's December and January Finance & Accounting report.

IV. RECOMMENDATIONS ON 2024/2025 AUDIT REVIEW OR FULL

V. OTHER BUSINESS NEXT MEETING DATE.



Audit vs. Review vs. Compilation: What's the Difference and When Do You Need Each?

By [Hindol Datta](#) / July 15, 2025

For most early-stage founders, the first time they hear the terms audit, review, or compilation, it is in the middle of a deal—or worse, during a last-minute scramble before a board meeting or financing close. By then, the clock is ticking, and clarity matters more than ever. What do these terms mean? Why do investors or lenders ask for them? And which one does your company actually need?

Having served as an operational CFO across Series A to Series D companies for three decades, I have come to recognize that these financial engagements are not just technical distinctions. They are reflections of where a company is in its maturity, its financing path, and its capital strategy. Understanding the difference between an audit, a review, and a compilation—and knowing when each applies—is foundational to building financial credibility.

Understanding the Spectrum of Assurance

At a high level, all three terms describe levels of financial statement assurance provided by external accountants. Think of them as checkpoints along a continuum. On one end, you have compilations, which involve minimal testing. On the other, audits, which dive deep into your controls, documentation, and accounting treatment. Reviews sit in the middle. Each has its place. Each communicates something specific to stakeholders.

Compilation: The Lightest Touch with Limited Insight

A compilation is the simplest engagement. Your accountant takes your internal financial data and formats it into standard financial statements under GAAP or other accepted accounting principles. They do not verify your numbers. They do not assess your internal controls. They do not test your systems. Their report does not provide any opinion or assurance.

For startups just beginning to organize their financials, a compilation may be sufficient—particularly if there are no external stakeholders requiring higher levels of confidence. It can be helpful in the very early days when you're preparing board materials or basic bank reporting.

But it offers little validation. No serious investor, strategic acquirer, or institutional lender will rely on a compilation alone.

Review: A Middle Ground That Balances Speed and Insight

A review goes further. The accountant applies limited analytical procedures and inquiries to determine whether the financials are plausible. They will ask questions. They will compare current results to prior periods. They may spot-check certain balances. But they will not verify underlying transactions or test controls.

The result is a set of financial statements accompanied by a formal report stating that the CPA is not aware of any material modifications needed. This is often referred to as "limited assurance."

In practical terms, reviews are increasingly required at the Series A and B stages, especially for companies raising from institutional VCs or working with sophisticated lenders. They strike a balance between diligence and cost. They are faster and less intrusive than audits, but still demonstrate a basic level of financial discipline.

I have guided several Series B companies through reviews. In each case, the engagement highlighted areas where systems could improve. The process, if started early, took under a month and gave investors confidence that the company had a handle on its operations.

Audit: The Gold Standard of Financial Integrity

An audit is the most comprehensive and rigorous engagement. The auditor tests your internal controls, traces transactions back to source documentation, confirms account balances with third parties, and assesses the application of accounting standards. The result is an independent auditor's opinion on whether your financial statements fairly represent your company's financial position, in accordance with GAAP.

This is full assurance. It carries weight. Auditors must maintain independence and follow strict standards. And once complete, the audit becomes a signal—not just to investors, but to regulators, banks, and acquirers—that your company operates with rigor.

Audits are usually required by Series C, sometimes earlier. Some lenders demand them. Strategic acquirers often will not proceed without them. And public company readiness demands them by default.

Audits also come with higher cost, longer timelines, and increased scrutiny. They require clean books, clear reconciliations, signed contracts, updated cap tables, and tight revenue recognition. When companies treat an audit like a fire drill, they often find themselves in long delays and expensive rework. But when they prepare proactively, the audit becomes a milestone of maturity.

When Do You Need Each? A Strategic Lens

This is the question I receive most often from founders: What level of assurance do we need at this stage? The answer depends on several factors.

If you're preparing for your first institutional round, and your books have been managed carefully by a qualified controller, a review is often sufficient. It satisfies investor requirements and forces good internal hygiene.

If you're raising a large Series C or negotiating a credit facility, an audit may be required. Start early. Engage your audit firm months before you need the final report. Avoid surprises.

If you're still in early seed mode, and your reporting is internally focused, a compilation might be acceptable—but only if you're disciplined internally. Never confuse a compilation with financial readiness. It reflects structure, but not strength.

When guiding companies through financing or diligence, I often walk them through this question: If your investors asked for audited financials today, how long would it take? The answer reveals more than readiness. It reveals mindset.

The Hidden Value of Assurance

What many founders overlook is that assurance levels are not just for investors. They are for you. An audit, for instance, exposes weaknesses in your internal processes, gaps in documentation, and accounting errors that may not be visible in day-to-day operations. These are valuable insights.

One SaaS company I worked with uncovered a misapplied revenue policy during their first audit. It had no immediate material impact. But correcting it improved gross margin visibility and helped frame a stronger Series B story.

Another company used its review process to identify and address inconsistencies in expense classification. That cleanup improved forecasting accuracy and investor reporting.

In both cases, assurance was not just a compliance step. It became a strategic improvement tool.

Cost, Time, and the Importance of Fit

Reviews typically cost less than audits and take less time. But they require cooperation, organization, and access. Audits require significantly more. You need a controller or CFO who can own the process. You need clean systems, reconciled accounts, and consistent documentation.

Do not underestimate the time and attention these engagements require. I always advise startups to appoint a point person—usually the head of finance or external advisor—who manages the engagement from end to end.

The right fit matters too. Not all CPA firms are created equal. Choose one with experience in venture-backed companies, sector knowledge, and scalable capabilities. The firm that fits your seed round may not fit your Series C.

Founders Must Understand What Is Being Signed

Even if the CFO or controller leads the engagement, founders remain accountable. You sign representation letters. You attest to the integrity of the financials. Understanding the scope and limits of the engagement is critical.

You do not need to master every technical standard. But you do need to know what each type of engagement communicates—to your investors, your board, and your team.

That knowledge allows you to lead from strength, not from default.

Prepare Before You Must Engage

The best time to prepare for assurance is before it becomes urgent. If you think you might need a review in the next year, begin organizing now. Reconcile your key accounts. Create a file structure for key documents. Build cadence into your close process.

If an audit is on the horizon, conduct a readiness assessment. Involve external advisors. Identify gaps in controls, documentation, or policy. Address them before the auditor arrives.

Audit, review, or compilation—each tells a story. Make sure yours is the right one.

Disclaimer: This blog is intended for informational purposes only and does not constitute accounting or audit advice. Founders and executives should consult with licensed CPAs or audit professionals to determine the appropriate level of financial assurance for their organization.

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