

# Town of Chebeague Island Selectboard Memorandum

To: TOCI Selectboard  
From: Carol White, SB Chair  
Date: 28 July 2025  
Re: FY24 Audit, RHR Smith and Blue Star Consulting

The purpose of this memorandum is to bring the entire Selectboard up to date on discussions with RHR Smith on the FY24 Audit and their willingness to continue providing audit services to the TOCI. The memo also summarizes discussions with Marc Roy, CPA and owner of Blue Star Consulting.

## **FY24 Audit Status**

The TOCI received the draft FY24 Audit from our auditing firm RHR Smith on July 14, 2025. Vika forwarded the draft audit to the Selectboard on 7/18 and indicated that she had a few questions about the numbers and that she was completing a thorough review of the draft audit. The draft audit was also provided to John Rent, Chair of the Finance Committee, for his review. At this point there are some questions and/or errors in the FY24 audit remain unresolved and the FY24 Audit is not yet final.

## **RHR Smith Audit Services for TOCI**

On July 1 RHR Smith informed the TOCI via email that they were no longer interested in having the TOCI as a municipal audit client going forward. After receiving this email Carol White SB Chair personally contacted RHR Smith to request a meeting and they readily agreed. On July 18, 2025 Carol White, SB Chair and John Rent FC Chair met virtually with Heather Hunter, Director of Audit for RHR Smith, to discuss the potential of a continuing relationship between the TOCI and RHR. In the meeting Heather described, from her perspective, the challenges of working with the TOCI to acquire the necessary financial information for the FY24 audit. We acknowledged that the town had a role in the difficulty and brought the conversation back to the question of whether not RHR would be willing to continue to provide audit services for TOCI. Heather indicated that that was not her decision and that she would need to bring the question back to her leadership team. The meeting was cordial and informative and she also offered to have a meeting with SB to review the FY24 audit to which we agreed.

On July 23 we received an email response from Heather indicating that they have reached their client capacity limit and therefore are no longer willing to continue providing audit services to the TOCI. In the same email Heather indicated that she would be willing to have a virtual meeting with SB to discuss the FY24 audit at a mutually agreeable date and time. It is up to the TOCI to follow up with RHR to schedule this meeting.

## **Blue Star Consulting**

As I mentioned in a previous email that I sent to the SB, in mid-July I reached out to Marc Roy of Blue Star Consulting [www.bluestarcpa.com](http://www.bluestarcpa.com), to inquire about the services he offers and to discuss the TOCI audit and financial management issues such as account reconciliation, grant tracking, etc.. Vika, John Rent and I had a follow-up meeting with Marc on July 22, and all agreed that it would make sense to hire him to assist the town with our fiscal management challenges. Following our meeting Marc provided a letter of engagement for his professional services. A copy is attached to this email. Just a heads up that for Wednesday's morning 7/30 SB meeting we have added a discussion and potential approval of his contract as an agenda item for the brief regular meeting.