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8401 Greensboro Drive, Suite 800
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November 25, 2025

Mike Reso
Chief Administrative Officer
City of Bay St. Louis
688 US-90
Bay St Louis, MS 39520

Dear Mr. Reso,

This Statement of Work ("SOW") is provided to the City of Bay St. Louis ("City" "Client" or "you") for the services described below (the "Services"), which Services may be modified upon our mutual written agreement.

Client acknowledges that Client previously executed an Agreement for Professional Services and Terms and Conditions dated December XX, 2025 (collectively, the "Services Agreement") which are incorporated by reference into this SOW. The Services Agreement along with this SOW constitutes the agreement ("Agreement") between BDO USA ("BDO" or "we") and Client.

To the extent there is any conflict or inconsistency between the Services Agreement and any SOW, unless otherwise agreed to in writing, the Services Agreement shall prevail.

The SOW is effective November 25, 2025 ("Effective Date") and shall remain in effect until the earlier of (a) completion of the Services hereunder, (b) a party's termination of this SOW in accordance with the Services Agreement, and (c) 4 months from the Effective Date. Any term or condition incorporated into this SOW that is an addition to or a replacement of the specific terms and conditions contained in the Services Agreement applies only to the Services provided under this SOW.

RUSSIAN OWNERSHIP OR CONTROL

By executing this Agreement, Client represents that the Client is not owned or controlled, directly or indirectly, by one or more Russian citizen(s), Russian national(s), persons physically located in Russia, or entity(ies) organized under the laws of Russia. Client agrees that if at any time while BDO is providing Services to the Client the foregoing representation is no longer true, Client will immediately notify BDO.



SCOPE OF SERVICES

The City of Bay St. Louis recognizes the importance of maintaining robust financial management practices that ensure transparency, accountability, and compliance with federal regulations. To support these objectives, the BDO will assist the City in developing comprehensive financial policies and procedures that align with the requirements of Uniform Guidance (2 CFR Part 200). The following Scope of Services outlines the key activities and deliverables that will be provided to help the City strengthen its financial operations and ensure ongoing compliance with applicable federal standards.

1. Assessment and Gap Analysis

- **Document Review:** Conduct a thorough review of the City's existing financial policies, procedures, and internal control documentation to establish a baseline understanding of current practices.
- **Stakeholder Interviews:** Meet with key personnel involved in financial management, including finance, procurement, and grant administration staff, to gather insights into day-to-day operations and identify practical challenges.
- **Compliance Assessment:** Evaluate the City's current policies and procedures against the requirements of Uniform Guidance (2 CFR Part 200) to identify areas of non-compliance, inefficiency, or risk.

2. Development of Financial Policies and Procedures

- **Policy Drafting:** Develop new or updated financial policies and procedures that address identified gaps and are tailored to the City's organizational structure and operational needs.
- **Uniform Guidance Alignment:** Ensure all policies and procedures are designed to meet the requirements of Uniform Guidance, with clear references to applicable regulations.
- **Key Policy Areas:** Policies and procedures will be developed for, but not limited to, the following areas:
 - Cash management and internal controls over cash
 - Procurement standards and purchasing procedures
 - Allowable costs, cost allocation, and documentation requirements
 - Subrecipient monitoring and management
 - Financial reporting and grant compliance
 - Record retention and access to records
 - Conflict of interest and ethical standards
- **Customization:** Tailor all documents to reflect the City's specific processes, systems, and organizational roles.

3. Stakeholder Review and Revision

- **Draft Review Sessions:** Present draft policies and procedures to City leadership and relevant stakeholders for review and discussion.
- **Feedback Collection:** Facilitate the collection of feedback, questions, and suggestions from stakeholders to ensure policies are practical and understood.
- **Document Revision:** Revise and finalize the policies and procedures based on stakeholder input, ensuring clarity, accuracy, and ease of implementation.

4. Training and Implementation Support

- **Training Development:** Prepare training materials and resources to support staff understanding and adoption of the new policies and procedures.
- **Staff Training Sessions:** Conduct interactive training sessions for City staff, focusing on practical application, compliance requirements, and internal controls.
- **Implementation Guidance:** Provide ongoing support during the initial implementation phase, including answering questions, clarifying requirements, and assisting with change management as needed.
- **Follow-up Support:** Offer limited follow-up consultation to address any issues or questions that arise after implementation.

We anticipate that the Services within the current scope will be completed in approximately 3-5 months. All Services will be performed remotely, which we believe is the most efficient approach for completion of the Services. Notwithstanding anything to the contrary herein, any timing set forth in this SOW is the estimated timing subject to dependencies, including without limitation, Client's satisfaction of its obligations hereunder.

Any service not specifically described in this SOW is outside the scope of this Agreement.

ASSUMPTIONS

The following general assumptions have been made in the development of this SOW and all fees and expenses are contingent upon the accuracy of these assumptions and are subject to change if any are incorrect. These assumptions should be carefully reviewed by Client to verify accuracy. To the extent that these assumptions are not met or turn out to be inaccurate, the cost and delivery schedule of the Services may be impacted. If this occurs, Client agrees to negotiate in good faith to mutually develop a work-around plan, revised schedule, and revised fees and expenses.

- ▶ BDO will be able to hold information-gathering sessions with key personnel to gather information required for creating project deliverables in a timely manner.
- ▶ Subrecipients will provide BDO with copies of any existing documentation describing any pertinent information prior to the project commencement.
- ▶ BDO will not be held responsible for unreasonable delays in the project timetable due to unavailability of information or resources from Client or its subrecipients.
- ▶ The information supplied to BDO to create this SOW is accurate and will not substantially change.
- ▶ Client will provide a single point of contact for all project activities.

- ▶ Client will provide the logistics for meetings including, but not limited to, room arrangements, transportation, and other incidentals related to on-site visits.
- ▶ When the BDO engagement team is working on-site, Client will provide appropriate workspace with access to wifi/internet, phones, copiers, printers, etc.
- ▶ Client, and as necessary, its advisors, will make timely decisions regarding approach, review of deliverables, completion of any questionnaires distributed and personnel interviews.
- ▶ Client is the owner of the control environment and financial information, including the notes within the financial statements and the applicable disclosures in the financial report.
- ▶ Client will retain ultimate responsibility for policy decisions and judgment decisions, as well as for concluding on the adequacy of the design and operating effectiveness of the internal control environment.
- ▶ BDO does not guarantee or warrant any particular outcome as a result of this engagement and our fees are not contingent on such an outcome.

INDEPENDENCE & CLIENT MANAGEMENT RESPONSIBILITIES

All Services provided by BDO pursuant to this Agreement are strictly advisory in nature. It is of utmost importance that Client’s management fully understands the nature and extent of the Services to be performed pursuant to this Agreement and exercises its own independent judgment on behalf of Client in connection therewith.

BDO may not, and will not, serve as a member of the Client’s management, including:

- Making operational or financial decisions
- Performing management functions
- Reporting to the board of directors on behalf of Client’s management

Client agrees that Client shall perform the following functions: (a) make all management decisions and perform all management functions with respect to the Services performed by BDO; (b) assign an individual who possesses the suitable skill, knowledge, and experience to oversee the Services and to evaluate the adequacy and results of the Services; and (c) accept responsibility for the Services.

FEES

Our charges for the Services will be billed on a time and materials basis. We are pleased to offer you a 49% discount from our standard billing rates for this engagement. In accordance with firm-wide adjustments, these rates will increase 5% effective August 1st 2026, and annually thereafter.

RESOURCE	STANDARD RATE	DISCOUNTED RATE FOR CLIENT
Principal	\$835	\$425
Managing Director	\$775	\$345
Director	\$660	\$315
Senior Manager	\$595	\$285
Manager	\$540	\$265
Senior Associate	\$435	\$240
Experienced Associate	\$350	\$220
Associate	\$280	\$200



Our estimate for completion of this SOW is between 200 and 250 hours, with corresponding fees ranging from \$53,000 to \$67,000.

Should we encounter unforeseen problems that will warrant additional time or expense, you will be notified as soon as possible regarding the anticipated impact on fees or project schedule.

We have structured our team to provide a cost-effective resource mix where possible. We also will bill you for travel and out-of-pocket expenses as incurred.

This engagement includes only those Services specifically described in this Agreement; any additional services not specified herein will be agreed to in a separate SOW.

NEXT STEPS

We will coordinate with your designated representative to determine an appropriate timeline and immediate next steps for the Services.

If you have any questions pertaining to this SOW, please contact Nic Nunn-Faron (nnunn-faron@bdo.com). BDO values your business and looks forward to many years of providing quality professional services to you.

Very truly yours,

BDO USA

By: _____
Name: Corey Eide
Title: Principal

By signing below, the authorized signatory represents that he/she has power and authority and has obtained all approvals, authorizations and consents necessary to enter into this Agreement on behalf of the Client set forth below for whom the authorized signatory is executing this Agreement. The authorized signatory represents that this Agreement constitutes the legal, valid, and binding obligation of the Client set forth below for whom the authorized signatory is executing this Agreement and is enforceable against the Client in accordance with its terms. The Client set forth below acknowledges and agrees that the authorized signatory is duly authorized to bind it as a party hereto.

Accepted and Agreed to by:



People-USA

By: _____

Name: Mike Reso

Title: Chief Administrative Officer