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MISSISSIPPI DEPARTMENT OF AUDIT
OFFICE OF THE STATE AUDITOR SHAD WHITE

CONTRACT FOR PROFESSIONAL SERVICES

This Contract for Professional Services ("Contract" or "Agreement") is made and entered as of July 28, 2026, by and between the **Office of the State Auditor** ("OSA"), an agency of the State of Mississippi, and Mississippi Department of Transportation, (the, "Agency"), and BMSS Advisors & CPAs (the, "Firm").

WHEREAS, pursuant to the Mississippi Code of 1972, as amended, and the provisions of Section 7-7-203 and 7-7-211(k), without limitation, OSA is authorized to contract for services necessary to carry out its duties and responsibilities; and

WHEREAS, OSA and the Agency has determined that the professional services of the Firm are required in furtherance of such duties and responsibilities; and

WHERAS, the Firm has agreed to provide such services by and through its personnel on a contractual basis to perform such function; and

WHEREAS, the parties now wish to capture their agreement in writing under the terms and conditions expressed herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, along with other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows.

1. **Purpose**. The purpose of this Agreement is to provide professional services to perform the work as specified in the Engagement Services Schedule, attached hereto as Attachment A and incorporated herein.

2. **Scope and Term**. This Contract is intended to provide for the audit of the Mississippi Department of Transportation as further specified in Attachment A, for the period of fiscal year June 30, 2026, and such audit services shall be completed by the Firm no later than October 31, 2026 (the, "Completion Date"); or as otherwise agreed by the parties in writing.

3. **Compensation**. As full and complete compensation for the services to be provided hereunder, the Agency will pay the Firm as follows:

    a. The Firm shall receive, as compensation as an independent contractor for those services fully described in Attachment A, a fee not to exceed amounts listed below and billed in accordance with the schedule provided in paragraph 4, plus any amount authorized by a duly executed amendment as provided in paragraph 20 of this contract:

    Fiscal Year 2026 - $200,000

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b. Said fees are based on the expectation that the Agency's accounting records are complete and up-to-date and that the Agency will provide, on a timely basis, audit schedules and supporting information, including communication of all significant accounting and financial reporting matters, as well as clerical assistance as is normal and reasonable in the circumstances. If such records, schedules, etc., are not provided or other unforeseen conditions or events arise, the Firm will confer with the Agency and OSA to mutually revise the fee to reflect the additional effort required of the Firm to achieve its objectives.

4. **Payment Schedule**: The Agency shall pay or make payments on the terms described above in accordance with the following schedule or procedure:

a. The Firm shall submit invoices to the Agency with supporting documentation of the hours billed. The invoices shall outline the work performed to the satisfaction of OSA the Agency in its sole discretion and the number of hours worked. Upon satisfactory receipt and approval of such invoices, the Agency will pay ninety percent (90%) of such invoice ("Partial Payment(s)"); provided, however, that OSA the Agency shall withhold the remaining ten percent (10%) until all work under Attachment A is satisfactorily completed in the sole discretion of OSA (the "Retained Funds"). Partial Payments will be made to the Firm within 45 days of proper invoice approval. An approved invoice is one correctly submitted and approved by OSA management for payment. The "Final Payment" made to the Firm shall include the Retained Funds, along with any other payments due under the provisions of this Agreement and shall be made within 45 days after completion and acceptance of all services to be provided hereunder, subject to adjustments as provided herein.

b. OSA, the Agency and the State of Mississippi require the Firm to submit invoices electronically throughout the term of this Agreement. Firm invoices shall be submitted to the Agency using the processes and procedures identified by the Agency. Payments by the Agency to the Firm will use the Mississippi Accountability System for Government Information and Collaboration (MAGIC) or Agency approved processing system. These payments shall be deposited into a bank account of the Firm's choosing upon the Firm providing the Agency with complete and accurate account information. The Firm shall provide all necessary information to fulfill the purposes of this subparagraph upon request. The Firm understands and agrees that the State is exempt from the payment of taxes. All payments shall be in United States currency.

c. As a separate condition of this Contract, before Final Payment is made upon satisfactory completion of the work performed under this Contract or upon termination as provided herein, the Firm shall execute and deliver to OSA and the Agency a release of all claims against OSA and the Agency arising under, or by virtue of, this Contract, except claims which are specifically exempted by the Firm to be set forth therein.

d. Firm agrees to accept all payments in United States currency via the State of Mississippi's electronic payment and remittance vehicle, if applicable. The agency agrees to make payment in accordance with Mississippi law on "Timely Payments for

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Purchases by Public Bodies," which generally provides for payment of undisputed amounts by the agency within forty-five (45) days of receipt of invoice. Mississippi Code Annotated § 31-7-305.

5. **Audit Standards.**

   a. The auditing services described in Attachment A will be made in conformity with the following guidelines and regulations:

      i. The Firm has the responsibility to conduct and will conduct the audit of the Agency's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, with the objective of expressing an opinion as to whether the presentation of the financial statements that have been prepared by management of the Agency, conforms with U.S. generally accepted accounting principles.

      ii. Special items or reports prescribed by the OSA as set forth in Attachment A.

      iii. Compliance with applicable state laws as set forth in Attachment A.

      iv. Statements of financial accounting standards as prescribed by the Governmental Accounting Standards Board.

   b. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. In conducting the audit, the Firm will perform tests of the accounting records and such other procedures, as the Firm considers necessary in the circumstances, based on the Firm's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud, to provide a reasonable basis for the Firm's opinion on the financial statements. The Firm also will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management of the Agency and evaluate the overall financial statement presentation.

   c. The Firm's audit of the financial statements will be planned and performed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, fraud (including fraud that may be an illegal act), and other illegal acts may exist and not be detected by an audit of financial statements even though the audit is properly planned and performed in accordance with the auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Also, an audit is not

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designed to detect matters that are immaterial to the financial statements, and because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to detect abuse. The firm will also perform certain limited procedures to the required supplementary information as required by auditing standards generally accepted in the United States of America. However, the Firm will not express an opinion or provide any assurance on the information. The report relating to the financial statements will include the Firm's consideration of required supplementary information.

d. The Firm will issue a written report upon completion of the Firm's audit of the Agency's financial statements. We realize that the Firm cannot provide assurance that an unqualified opinion will be expressed. Circumstances may arise in which it is necessary for the Firm to modify its opinion

e. In making the Firm's risk assessments as a part of planning and performing the audit of the financial statements, it will consider the Agency's internal control relevant to the preparation and fair presentation of the financial statements in order to determine the nature, timing, and extent of its audit procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.

6. **Agency Management Responsibilities/Acknowledgements.**

a. Management of the Agency acknowledges and understands that they have responsibility for the preparation and fair presentation, in accordance with U.S. generally accepted accounting principles, of the financial statements and all representations contained therein. Management of the Agency also is responsible for identifying and ensuring that the Agency complies with laws, regulations, contracts, and grant agreements applicable to its activities, and for informing the Firm of any known material violations of such laws and regulations and provisions of contracts and grant agreements. Management of the Agency also is responsible for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud, for adopting sound accounting policies, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements whether due to error or fraud. Management of the Agency is also responsible for informing the Firm, of which it has knowledge, of all material weaknesses and significant deficiencies, in the design or operation of such controls. The audit of the financial statements does not relieve management of the Agency or the audit committee of their responsibilities.

b. Management of the Agency also acknowledges and understands that it is their responsibility to provide the Firm with:

i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records,

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documentation, and other matters;

ii. Additional information that the Firm may request from management for purposes of the audit; and

iii. Unrestricted access to persons within the entity from whom the Firm determines it necessary to obtain audit evidence. As required by auditing standards generally accepted in the United States of America, the Firm will make specific inquiries of management of the Agency about the representations embodied in the financial statements and the effectiveness of internal control and obtain a representation letter from certain members of the Agency's management about these matters. The responses to the Firm's inquiries, the written representations, and the results of audit tests, among other things, comprise the evidential matter the Firm will rely upon in forming an opinion on the financial statements.

c. Management of the Agency is responsible for adjusting the financial statements to correct material misstatements. Agency Management shall also affirm to the Firm in the representation letter that the effects of any uncorrected misstatements aggregated by the Firm during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements being reported upon, taken as a whole. Because of the importance of management's representations to the effective performance of the Firm's services, the Agency agrees to release the Firm and its personnel from any claims, liabilities, costs and expenses relating to the Firm's services under this letter attributable to any misrepresentations in the representation letter referred to above. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.

7. **Additional Responsibilities.**

a. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the Firm will perform tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, the Firm's objective is not to provide an opinion on overall compliance with such provisions. The Firm shall immediately report to the Agency and OSA any preliminary findings of possible fraud, misapplication or misappropriation of funds.

b. In accordance with *Government Auditing Standards,* as part of planning of the audit the Firm will evaluate whether the Agency has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements. To assist the Firm, management of the Agency agrees to identify previous audits, attestation engagements, or other studies that relate to the objectives of the audit, including whether related recommendations have been implemented.

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c. In accordance with *Government Auditing Standards*, the Firm will also issue a management letter to communicate instances of noncompliance with provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but warrant the attention of those charged with governance. In accordance with *Government Auditing Standards*, the Firm is also required in certain circumstances to report fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the auditee.

d. In accordance with *Government Auditing Standards*, the Firm shall provide OSA with a Subsequent Event memorandum that details any and all events subsequent to the reporting period that may have an effect on the financial statements. The reporting period is defined as the commencement of the contract to the final issuance of the Annual Comprehensive Financial Report (ACFR).

e. The Firm will report to management of the Agency, in writing, the following matters:

   i. Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

   ii. Uncorrected misstatements accumulated by the Firm during the audit and the effect that they, individually or in the aggregate, may have on the Firm's opinion in the auditor's report, and the effect of uncorrected misstatements related to prior periods.

   iii. Significant difficulties and disagreements with management, if any, encountered during the Firm's audit.

   iv. Other matters required to be communicated by auditing standards generally accepted in the United States of America

f. To the extent that they come to the Firm's attention, the Firm will promptly inform the appropriate level of management of the Agency and the OSA about any illegal acts, unless they are clearly inconsequential. The Firm will also promptly report to OSA any material errors in the financial statements, and any instances of fraud that comes to the Firm's attention, including any instances of fraud that involve senior management or that, in the Firm's judgment, cause a material misstatement of the financial statements.

g. If, during the performance of the Firm's audit procedures, circumstances arise which make it necessary to modify their report or withdraw from the engagement, the Firm will communicate to the Agency and the OSA its reasons for modification or withdrawal. Any adjustment or withdrawal by the firm must be approved by both the Agency and the OSA prior to doing so.

8. **Timeline.**

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a. The Firm shall provide any adjustments needed for proper financial statement presentation, approved by Agency management, to the OSA by October 15, 2026. Draft financials shall be provided by October 22, 2026. The completed audit reports and management letter on the audited funds will be required by October 31, 2026, or 60 days from the receipt of the approved GAAP packet from DFA. If the completed audit report differs significantly from the draft provided, OSA shall request a reconciliation between the reports from the Firm.

b. The Firm acknowledges that the Agency and OSA are relying on the timely completion of this contract in its scheduling and budgeting and that time is of the essence. The parties agree that damages resulting from the Firm's failure to timely complete this contract would be difficult to ascertain with precision, and that the amounts set forth below represent a reasonable estimate of the anticipated loss, and is not a penalty. If the Firm fails to meet the completion date prescribed herein, the Agency and/or OSA may, at their option, reduce the agreed compensation by an amount not to exceed ten percent (10%) of the total contract amount as liquidated damages for the failure to complete the contract by the completion date provided the failure to meet the report delivery deadline is not the result of Agency delays.

c. Notwithstanding the provisions of section 8(b), in the event the Firm anticipates it will be unable to meet the deadlines outlined in Section 8(a), it shall submit written justification to the OSA no later than the draft financials deadline found in section 8(a). The written justification shall include the reasons for the delay and a proposed revised completion date. The written correspondence mentioned in this paragraph shall be sent to acfr.singleaudit@osa.ms.gov. Upon receipt, the OSA and the Agency will review the justification and provide written guidance to the Firm regarding the steps to proceed. If the justification is accepted by OSA and the Agency, the OSA will issue an updated audit timeline schedule to both the Agency and the Firm as an addendum to this contract. The addendum must be in writing and signed by the Firm, the OSA, and the Agency.

9. **Agency Funds.** The Agency's funds and programs (if applicable) selected for audit are hereby incorporated herein as part of this contract, see Attachment A.

10. **Key Personnel**. Any key personnel expected to provide services under this Agreement are identified in Attachment A, as applicable. Prior to removing, replacing, or diverting any of the specified individuals, the Firm shall notify OSA reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on this Contract. The loss of identified key personnel, without approval of substitute personnel by OSA, shall entitle OSA to amend the terms of this Agreement up to and including termination of this Agreement for convenience at the sole discretion of OSA or the Agency.

11. **Employment Status**. The Firm shall, during the entire term of this Contract, be considered an independent contractor, as that term is defined by the Internal Revenue Code of 1986, as amended, (the "Code"). Nothing herein is intended, and shall not be construed, to create an employer-employee relationship between OSA or the Agency and the Firm, including the

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Firm's officers, principals, employees, agents or permitted assigns. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of OSA or the Agency. Any person assigned by the Firm to perform the services hereunder shall be the employee of the Firm, which shall have the sole right to hire and discharge its employee. The Firm shall retain the exclusive right to hire and terminate its employees under this Agreement, subject only to the limitations of key personnel under the provisions of paragraph 10, as applicable. The Firm shall pay when due all salaries and wages of its employees and accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation and any other withholdings that may be required by law. No person within the Firm, including its employees, officers, principals, partners, members, contractors, or otherwise, are entitled to any benefits of a Mississippi state employee, including retirement, medical, or leave benefits.

12. **Competency**. The Firm represents and warrants that it is fully qualified to perform the duties required under this Contract and that it has, or will secure, if needed, at its own expense, applicable personnel who are qualified to fully perform the duties required under this Contract, including, without limitation, those skills identified and expressed in the Competency Schedule, attached hereto as Attachment B and incorporated herein. The Firm shall have a certified public accountant (CPA) as the certifying official of the final reports. A desk review, at least once every three years, is a required review that must be performed to remain in good standing on the registered firms listing. This review is completed in accordance with Section 7-7-211(k) of the Miss. Code Ann.(1972), which states, in summary, the State Auditor shall have the authority to contract with qualified public accounting firms to perform selected audits and all files, working papers, notes, correspondence and all other data compiled during the course of the audit shall be available, without cost, to the State Auditor for examination and abstracting during the normal business hours of any business day. Failure to provide timely access to records requested will result in suspension from the registered firm listing and will void this contract.

13. **Rejection of Services**. The Agency with the written consent of the OSA's authorized representative is empowered to accept or reject the services furnished by the Firm in compliance with the material provisions of this contract and the attached Audit Services schedule. However, any rejection of services must be based solely on the Firm's failure to comply with the material terms of this contract, and cannot be based on the nature of the Firm's opinion on the financial status of the Agency in its audit report. However, prior to termination of this contract by the Agency, the Agency must provide written justification to the OSA documenting the reasons for requesting the contract be terminated. The Agency must obtain written approval from the OSA prior to terminating the contract.

14. **Ownership of Documents and Work Products**. All documents and records which may be audited, analyzed, viewed, possessed, or otherwise made available to the Firm during the performance of this Contract are and shall remain the property of the State of Mississippi and the applicable agency or subdivision thereof. All working papers prepared in conjunction with the services under this Contract are property of the Firm at the time of creation and must be provided to OSA upon request. The Firm may retain copies of records required for professional record-keeping purposes or for compliance with applicable professional standards; provided,

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however, that all documents or work products identified as sensitive by OSA for whatever reason, must be returned to and maintained by OSA for storage and safekeeping, with appropriate allowance for logs of such records to be kept by the Firm to comply with professional standards. The Firm is prohibited from any use or disclosure of any information, documents, and/or materials, in any form, which may be reviewed by or otherwise come into the possession of the Firm while performing services under this Contract, without the express written approval of OSA. Violation of the terms of this paragraph 14 shall result in debarment of the Firm and suspension of contracting privileges with OSA for a period up to five (5) years to be determined at the sole discretion of OSA. Moreover, the Firm covenants and agrees to indemnify OSA and the State of Mississippi for all damages and associated costs resulting from the Firm's improper retention or use of information to which the Firm receives in any form as a result of the services performed hereunder.

15. **Status Updates.** The Firm agrees to provide OSA and the Agency with Status Updates as requested. OSA will notify the Firm by mail or email regarding the schedule, format, and content requirements for such updates including deadlines and the preferred method of communication. The Firm shall comply with all such requests in timely and complete manner. Pursuant to *Government Auditing Standards*, the Firm is required to make certain work papers available in a full and timely manner to Regulators upon request for their reviews of audit quality and for use by their auditors. In addition, the Firm may be requested to make work papers available to OSA pursuant to authority provided to it by law or regulation. Access to the requested work papers will be provided under supervision of the Firm's personnel. Furthermore, upon request, the Firm may provide photocopies of selected work papers to Regulators. Such Regulators may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

16. **Record Retention and Access to Records**. The Firm shall maintain and make available to OSA any financial records, supporting documents, statistical records, and all other records pertinent to the services performed under this contract in accordance with the Firm's policies and procedures or professional regulatory requirements. These records shall be maintained for at least five (5) years; provided, however, that if any litigation or other legal action, by or on behalf of the State of Mississippi, or any office or agency thereof, has begun that is not completed at the end of the five (5) year period, or if audit findings, litigation or other legal action has not been resolved at the end of the five (5) year period, the records shall be retained until resolution of the same and only deleted or otherwise destroyed upon written approval of OSA.

17. **Termination**. This contract may be terminated as follows:

    a. Termination Upon Bankruptcy. This contract may be terminated in whole or in part by OSA or the Agency, in its sole discretion, upon written notice to the Firm if the Firm should become the subject of bankruptcy or receivership proceedings, whether voluntary or involuntary, or upon the execution by the Firm of an assignment for the benefit of its creditors; or

    b. Termination for Convenience. OSA or the Agency may terminate this contract at its

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convenience and without cause by providing a thirty (30) day written notice of termination to the Firm and the Agency.

c. Termination for Cause. If, through any cause, the Firm shall fail to satisfactorily fulfill its obligations under this Contract prior to the Completion Date, or as otherwise agreed in writing, signed by the parties, or if the Firm shall violate any of the terms or conditions of this contract and that breach continues for ten (10) days after the Firm receives written notice from OSA or the Agency, then OSA or the Agency shall thereafter have the right to terminate this Contract for cause.

d. Liability for Costs. In the event of termination for cause by OSA or the Agency, in addition to other remedies provided herein, or available at law or in equity, the Firm shall bear all costs associated with the issuance of a new contract to complete the audit services contemplated herein, including, but not limited to, the costs of reissuing another request for proposals and additional costs resulting from an acceleration of services necessary for the timely completion of such auditing services; provided, however, that the Firm shall not be liable under this provision for the actual cost of the work performed by another contractor to complete the services provided for herein.

e. Damages and Setoff. In the event of termination, the Firm shall be paid an amount for all services actually performed pursuant to paragraph 4 of this Contract; provided, however, that in the event of a termination for cause, such compensation shall not exceed the amount of the Partial Payment due to the Firm for approved services provided prior to termination, and the Firm shall forfeit all Retained Funds. Notwithstanding the foregoing, the Firm shall not be relieved of liability to OSA for damages sustained by OSA by virtue of any breach of this contract by the Firm, and OSA may withhold any payments to the Firm for the purpose of set-off until such time as the exact amount of damages due OSA from the Firm are agreed or determined. OSA may also pursue any remedy available to it at law or in equity for damages caused by a failure of the Firm resulting in termination.

f. Return of Property. Upon termination for any reason, the property of OSA, including all finished or unfinished tests, surveys, checklists, forms, manuals, reports, or other material prepared or retained by the Firm under this Contract, shall be provided to OSA within ten (10) days of such termination under the provisions of paragraph 8 herein.

g. The contract shall expire one hundred twenty (120) days after the report release date of the last fiscal year ACFR under this contract so that any questions raised during the audit may be resolved.

18. **Confidential Information**. The Firm shall treat all data and information to which it has access by its performance under this contract as confidential to the extent that confidential treatment of the same is required under federal and/or state law or the policies and regulations of OSA, and shall not disclose such data or information to a third party without the specific written consent of OSA. In the event that the Firm receives notice that a third party requests the divulgence of confidential or otherwise protected information and/or has served upon it a

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subpoena or other validly issued administrative or judicial process ordering the divulgence of confidential or otherwise protected information, the Firm shall promptly inform OSA within 24 hours of receipt, and, after ten (10) days from the date of such notice, it may thereafter respond in conformity with such subpoena to the extent mandated by state or federal law; provided, however, that if OSA or the State of Mississippi, in its discretion, shall seek to quash or otherwise challenge the request for such information, the Firm shall withhold the information until i) written permission is granted by OSA to provide such information, or ii) upon the order of a court of competent jurisdiction to produce the material, whichever is earlier. This section shall survive the termination or completion of this Contract. The Firm may retain, however, copies of all such records required for recordkeeping purposes or for compliance with applicable professional standards.

19. **Statutory Contract**. Pursuant to this Contract, the Firm is appointed pursuant to Miss. Code § 7-7-211(k), specifically to perform the services detailed in Attachment A, or as may be amended, and is empowered, to perform the work contemplated herein on behalf of OSA. The Firm covenants and warrants that it is bound by the policies and regulations of OSA, along with the terms and conditions of this Agreement, in conducting the services hereunder, and that the Firm shall ensure it and its personnel, including its employees, officers, principals, and members, are familiar with and abide by such policies and regulations while performing, at all times, as OSA's agent.

20. **Contract Changes**. OSA may, at any time, make changes within the general scope of the Contract as to the services or work to be performed, as specifically identified in Attachment A. If such changes cause an increase or a decrease in the Firm's cost or time required to perform any services under this Contract, whether or not changed by any order, OSA shall make an equitable adjustment and modify this Contract in writing. The Firm must assert any claim for adjustment under this clause in writing within thirty (30) days from the date it receives OSA notification of change unless OSA grants additional time in writing. No services for which the Firm will charge additional compensation shall be furnished without the written authorization of OSA. Changes that result in modifications to the competencies required for completion of such changes must be reflected on an amended Attachment B. If, during the performance of the Firm's audit procedures, circumstances arise which make it necessary to modify their report or withdraw from the engagement, the Firm will communicate to the Agency and the OSA its reasons for modification or withdrawal. Any adjustment or withdrawal by the firm must be approved by both the Agency and the OSA prior to doing so and in accordance with paragraph 17.

21. **Funding Contingent**. The parties expressly understand that the fulfillment of the payment obligations of the Agency under this Agreement is conditioned upon the availability and receipt of State funds. In the event that funds are insufficient or otherwise unavailable to satisfy payments due under this Agreement, The Agency shall not be obligated to make such payments, and all further obligations of the Agency, OSA, and the Firm under this Agreement shall cease immediately, without penalty, cost or expense to the Agency, OSA, or the Firm of any kind whatsoever. In the event of such insufficiency or unavailability of funding, the Agency shall promptly notify the Firm in writing, of such event. The Firm shall be entitled to payment for services in the amount determined under paragraph 4 or the amount of available

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funds, whichever is less. If work under this contract is terminated due to insufficient funding, the Firm shall be entitled to, and shall receive, payment for services performed prior to termination upon receipt of funding from the Mississippi Legislature by the Agency. Nothing herein shall prevent the parties from agreeing to a pause in the performance of this contract in the event of a temporary lapse in funding; provided, however, that the parties must amend this Agreement in writing, as contemplated by paragraph 13, to adjust for any changes in scope, cost, or period of performance.

22. **Employee Status Verification System**. The Firm represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act of 2008 (Miss. Code § 77-11-1 et seq.) and will register and participate in the status verification system for all newly hired employees related to this engagement or other services on behalf of the Office of State Auditor of Mississippi. The term "employee," as used herein, means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. The Firm agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. The Firm further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the United States and the State of Mississippi. The Firm understands and agrees that any breach of these warranties may subject the Firm to the following: (a) termination of the Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Firm by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, the Firm would also be liable for any additional costs incurred by the State due to Contract cancellation or loss of license or permit.

23. **Mississippi Accountability and Transparency Act.** In accordance with the Mississippi Accountability and Transparency Act of 2008, Section 27-104-151, et seq., of the Mississippi Code of 1972, as amended, the American Accountability and Transparency Act of 2009 (P.L. 111-5), where applicable, and Section 31-7-13 of the Mississippi Code of 1972, as amended, where applicable, a fully executed copy of this agreement shall be posted to the State of Mississippi's accountability website at: https://merlin.state.ms.us

24. **Representation Regarding Contingent Fees**. The Firm represents and warrants that it has not retained a person to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except as disclosed in the Firm's bid or proposal (if applicable).

25. **Representation Regarding Gratuities.** The Firm represents and warrants that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 (Gratuities) of the "Mississippi Personal Service Contract Procurement Regulations."

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26. **Certification of Independent Price Determination.** The Firm certifies that the price submitted in response to the solicitation has been arrived at independently and without—for the purpose of restricting competition— any consultation, communication, or agreement with any other bidder or competitor relating to the price, the intention to submit a bid, or the methods or factors used to calculate the price bid.

27. **Certification Regarding Debarment, Suspension, and Other Responsibility Matters—Primary Covered Transactions.** The Firm certifies, to the best of its knowledge and belief, that it and its principals:

    a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

    b. Have not within a three-year (3) period preceding this contract been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

    c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with the commission of any of the offenses enumerated in item b of this certification; and

    d. Have not within a three-year (3) period preceding this contract had one or more public transactions (Federal, State, or local) terminated for cause or default.

28. **Assignment.** The Firm shall not assign or otherwise transfer the obligations incurred on its part pursuant to the terms of this Contract without the prior written consent of OSA. Any attempted assignment or transfer of its obligations without such consent shall be null and void. All obligations and duties of either party under this contract shall be binding on all successors in interest or permitted assigns of such party.

29. **Waiver.** Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Contract.

30. **Indemnification.** The Firm agrees to indemnify, defend, and hold harmless, the Agency and OSA from and against all claims, demands, liabilities, damages and costs relating to our services under this Contract that are attributable to or resulted from intentional, deliberate misconduct or actionable gross negligence of the Firm and/or its member, principals, agents, employees or subcontractors in the performance of this Contract.

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31. **Insurance**. The Firm represents and warrants that it will maintain workers' compensation insurance as prescribed by law, which shall inure to the benefit of the Firm's personnel, as well as comprehensive general liability or professional liability insurance and, where applicable, employee fidelity bond insurance. The Firm will, upon request, furnish OSA with a certificate of conformity providing such coverage.

32. **Governing Law and Venue**. This Contract shall be construed and governed in accordance with the laws of the State of Mississippi, without consideration to any conflict of law's provisions which may be applicable. Venue for the resolution of any dispute shall be the State or Federal courts seated in Jackson, Hinds County, Mississippi. The Firm expressly submits to the jurisdiction of said courts in any action brought arising under this Agreement. The parties expressly agree that each party shall bear its own costs and fees associated with any dispute arising under this Agreement. Moreover, OSA, the Agency or the State of Mississippi shall not be liable, at law or in equity, for any damages arising from this Contract which exceed the cost of work performed under the terms herein, including consequential, incidental, or punitive damages.

33. **Severability**. If any term or provision of this contract is determined to be prohibited by a court of competent jurisdiction under the laws of the State of Mississippi and thereby declared invalid or void, the remainder of the contract shall not be affected thereby, and each term and provision of the contract shall be valid and enforceable to the fullest extent permitted by law. Moreover, the impermissible term shall be modified to the least extent possible to comply with the law while also meeting the intent of the parties under this Agreement.

34. **Compliance with Laws**. The Firm covenants and agrees that it shall fully comply with all applicable laws, regulations, policies, and procedures of the United States of America or any agency thereof, the State of Mississippi or any agency thereof, and any local government or political subdivision that may affect the performance of services under this Contract and all applicable laws and regulations relating to discrimination based on age, race, creed, color, sex, and national origin or disability. OSA will assist the Firm upon request in identifying the policies and procedures promulgated by the State of Mississippi or any agency thereof and any local government or political subdivision thereof that impact the services hereunder; provided, however, that responsibility for complying with the law shall rest solely with the Firm.

35. **Conflict of Interest**. The Firm shall notify OSA of any potential conflict of interest, including, but not limited to, a conflict of interest resulting from the representation of, or service to, other clients. If OSA determines that a conflict exists and such conflict cannot be resolved to OSA's satisfaction, then OSA reserves the right to terminate this Contract or to award the specific test(s) to another Firm. Failure by the Firm to notify OSA of any potential conflict of interest shall subject the Firm to actual damages incurred by OSA in curing such conflict, including, but not limited to, the full cost of procuring and executing the services under Attachment A by another firm. Moreover, to the extent that a conflict invalidates the services of the Firm provided hereunder, the Firm shall be liable to repay to OSA all funds received under this Agreement for work made invalid by such conflict.

36. **Third Party Action Notification**. The Firm shall give OSA and the Agency prompt notice in

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writing of any action or suit filed and prompt notice of any claim made against the Firm by any entity that may result in litigation related in any way to this Contract.

37. **Authority to Contract**. The Firm represents and warrants that it is a validly organized business and in good standing, lawfully authorized to conduct business in the State of Mississippi, and that the Firm, and the signatories hereto have legal and valid authority to enter into this Contract with OSA and the Agency. Moreover, that entry into and performance under this Contract is not restricted or prohibited by any loan, security, financing, contractual or other agreement of any kind, and there are no existing legal proceedings, or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this Contract.

38. **Captions**. The captions or headings in this contract are for convenience only and in no way define, limit, or describe the scope or intent of any provision or section of this Contract.

39. **Notice**. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when: (a) personally delivered; (b) sent by certified mail, return receipt requested; or (c) sent by a nationally recognized overnight courier service, addressed as follows:

Mississippi Office of the State Auditor
Attn: Jeff Goodwin, CPA
Director, Dept. of Financial and Compliance
501 N. West Street
Suite 801, Woolfolk Building
Jackson, MS 39201
or
P.O. Box 956
Jackson, MS 39205-0956

For Agency:
Brad White, Executive Director
Mississippi Department of Transportation
401 North West Street
Jackson, MS 39201

For Firm:
Aaron Cooper
BMSS Advisors & CPAs
1020 Highland Colony Parkway, Suite 600
Ridgeland, MS 39157

40. **Sovereign Immunity**. By entering into this Contract with the Firm, the State of Mississippi, by and through OSA and the Agency, does not in any way waive its sovereign immunities or defenses as provided by law.

41. **Drafting Party**. Any ambiguity or uncertainty in this Agreement shall not be construed for or

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against either party but shall be resolved by applying ordinary principles of contract interpretation, giving effect to the plain meaning of the language used and the mutual intent of the parties as expressed herein. Each party acknowledges that it has carefully reviewed this Agreement, understands its terms, and has voluntarily agreed to be bound by its provisions.

42. **Merger**. This Contract and its incorporated attachments constitute the entire Agreement between the parties concerning the subject matter hereof and supersedes all prior statements, negotiations, understandings, and agreements. This Agreement may not be amended except by written instrument signed by the parties. The parties covenant and agree that each is entering into this Agreement based solely on the terms and conditions expressed herein, and is not relying on any other statement or promise, oral or written, outside of the express terms contained herein; provided, however, that in any dispute arising under this Agreement, if applicable, the request for proposal issued by OSA and the Firm's technical proposal issued in response thereto may be used to eliminate ambiguity found by a court in any dispute arising under this Agreement or to clarify the intent of the parties in modifying this agreement under paragraph 20.

43. BMSS, LLC is a CPA firm licensed and practicing in Mississippi. To the extent that any provisions of this Contract are in conflict with the statutes and regulations of the State of Mississippi and/or the Mississippi State Board of Public Accountancy ("Accountancy"), the statutes and regulations of the State of Mississippi and Accountancy provisions shall control.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above, intending to be legally bound hereby. Each party represents and warrants that the individual signing on behalf of such party has been duly authorized to execute this Agreement and bind such party to the terms and conditions hereof.

Mississippi Department of Transportation

SIGNED: _____

NAME: (Print) Brad White

TITLE: Exec Director

DATE: 9-2-26 BM25 Pg 731

BMSS Advisors & CPAs, LLP

SIGNED: Signed by: J. Aaron Cooper B019945CAD5C40F...

NAME: (Print) J. Aaron Cooper

TITLE: Member

DATE: 8/28/2026

State Auditor's Office

SIGNED: DocuSigned by: Jeff H. Goodwin, CPA D7DA6B13EBA04A3...

NAME: (Print) Jeff H. Goodwin, CPA

TITLE: Director, Financial and Compliance Audit Division

DATE: 8/28/2026

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ATTACHMENT A

Audit Services Schedule:

Procedure:

The following procedures must be performed by the Firm after a contract has been awarded:

- Hold an entrance conference with the Firm's auditor-in-charge, Audit Committee, Internal Audit Staff, Executive Director, and OSA's authorized representatives prior to commencement of any work in order to determine the scope of services, sample sizes and other related factors. Give prior notice to the OSA's authorized representatives so that the OSA may have an opportunity to participate.

- If applicable, provide an "in-relation-to" conclusion on the supporting schedules based on the auditing procedures applied during the audit of the selected funds' basic financial statements.

- Express an opinion on the fair presentation of the Agency's financial statements in conformity with generally accepted accounting principles.

- Perform certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

- Provide a copy of the Firm's most recent peer review report, as required by *Government Auditing Standards*.

The Firm shall perform the following procedures at the request of the OSA:

- Read and provide comments on the June 30, 2026, GAAP reporting package and underlying records for treasury funds for completeness and accuracy for inclusion in the State of Mississippi's *Annual Comprehensive Financial Report*.

- Read and provide comments for entries to the trial balance prepared by the Department of Finance and Administration (DFA) based on the Agency's GAAP packages and the grant activity schedules prepared by the Agency in order to adjust the trial balances, if applicable. These adjusting entries should be prepared on the DFA entry standardized forms and submitted to the Agency for approval and then submitted to OSA for review and processing by October 15, 2026.

- Prepare a reconciliation of Fund Trial balances (MAGIC ZBL report) to grant activity schedule, if applicable and to the Audit Report, if applicable

- Prepare a schedule of uncorrected misstatements, have Agency management approve the

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schedule, and submit it to OSA for inclusion in communications to DFA.

- Provide OSA the planning materiality level(s) used on the audits of fund GAAP reporting packets for use in performing analysis of unaudited aggregated funds and accounts for the ACFR.

- Obtain the notes to the statewide financial statements related to the Agency. The Firm should: a) read and provide comments on current year amounts and information and, b) read and provide comments on the notes for compliance with applicable GASB statements and notify the OSA's authorized representatives of noncompliance and errors.

- Complete audit reports on the fair presentation of state treasury funds audited and the schedule of expenditures of federal awards in conformity with generally accepted accounting principles.

- Prepare management letters in accordance with instructions provided by the OSA.

- Conduct an exit conference upon giving prior notice to the OSA.

- Obtain a plan of corrective action from the Agency in accordance with instructions provided by the OSA.

- Submit to the OSA a completed "Request for Representations from Other Auditor."

Following the completion of the audit of the fiscal year's financial statements, the Firm shall issue the following by October 31, 2026:

- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

- A report, *Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* (GAGAS report), on the Firm's consideration of internal control over financial reporting and tests of compliance made as part of its audit of the financial statements. Management of the Agency is responsible for providing the Firm with written responses in accordance with *Government Auditing Standards* to the findings included in the GAGAS report within 30 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the GAGAS report will indicate the status of management's responses. While the objective of the Firm's audit of the financial statements is not to report on the Agency's internal control over financial reporting and the Firm is not obligated to search for material weaknesses or significant deficiencies as part of its audit of the financial statements, this report will include any material weaknesses and significant deficiencies to the extent they come to our attention. This report will also include instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the financial statements or other financial data significant to the audit objectives and any other instances that warrant the attention of those charged with governance; noncompliance with

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provisions of contracts or grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives; or abuse that is material, either quantitatively or qualitatively. The report will describe its purpose and will state that it is not suitable for any other purpose.

- A Management Letter in accordance with *Government Auditing Standards*, the Firm will also issue a management letter to communicate instances of noncompliance with provisions of contracts or grant agreements or abuse that have an effect on the financial statements that is less than material but warrant the attention of those charged with governance. The management letter will detail audit findings and recommendations regarding financial statements, internal controls, accounting, information systems, legality of actions, instances of noncompliance with laws and regulations, and any other material matters the auditor believes to be of potential benefit to the entity or has been requested to communicate.

- A report on irregularities and illegal acts, if applicable in accordance with *Government Auditing Standards*, the Firm is also required in certain circumstances to report fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the auditee.

Upon receipt of the final audit reports the Agency's Audit Committee will:

- review the work,
- approve or reject the work,
- approve or reject final payment for services rendered.

Upon completion of the audit services, the audit conclusion memoranda and any other required reports should be submitted to the OSA's authorized representatives in accordance with the contractual provisions. All final documentation of services shall be submitted no later than the date specified.

As requested, the Firm shall provide the following documents to OSA:

- Draft and Final reports on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

- A report, Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (GAGAS report), on the Firm's consideration of internal control over financial reporting and tests of compliance made as part of its audit of the financial statements. Management of the Agency is responsible for providing the Firm with written responses in accordance with Government Auditing Standards to the findings included in the GAGAS report within 30 days of being provided with draft findings. If such information is not provided on a timely basis prior to release of the report, the GAGAS report will indicate the status of management's responses.

- Engagement Letter

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- Journal Entries Summary – Including entries approved and made by Auditee* and a Summary of Passed Adjustments. *
- Signed Representations of Management as of the date of the Report and an update of representations as of the date of the ACFR report.
- Independence and Related Party statements for The Firm.
- Letters to Those Charged with Governance, including any management comments made regarding control deficiencies.
- Written findings to be included in the report, as applicable. *
- Summary of verbal findings presented to client.
- Reconciliation of Fund Trial balances (MAGIC ZBL report) to the Audit Report, if applicable.
- Reconciliation of Fund Trial balances (MAGIC ZBL report) to grant activity schedule, if applicable.
- Firm representations to OSA
- Corrective Action Plans, if applicable. *
- Additional information as needed by OSA to satisfy the requirements of AU-C 600/SAS 149.
- Workpapers detailing component materiality and fund materiality used during the audit process.
- Subsequent Event Inquiries
  - ☐ From fiscal year end (June 30) to the date of The Firm audit report;
  - ☐ From the date of The Firm audit report to the date of the ACFR report date;
  - ☐ From the date of the ACFR report to the date of the Single Audit Report, if applicable

** Information must be provided as prescribed by OSA. Submissions not in accordance with Auditing Standards, Uniform Guidance, or prescribed form by OSA will be returned to The Firm and The Firm will be required to resubmit the information until OSA is satisfied that it has been completed in accordance with the requirements as listed above.*

Agency's Authorized Representatives:

- Brad White, Executive Director
  Mississippi Department of Transportation
  401 North West Street
  Jackson, MS 39201

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Phone: 601-359-7002
Email: bwhite@mdot.ms.gov

State Auditor's Authorized Representatives:

The State Auditor has empowered the following to act as his duly authorized representative:

- Jeff Goodwin, CPA
  State Auditor's Office
  501 North West Street
  801 Woolfolk Building
  Jackson, MS 39201
  Phone: 601-576-2606

Legal Compliance Provision:

Any preliminary findings of possible fraud, misapplication or misappropriation of funds shall be promptly reported in writing to the Agency's and OSA's authorized representative. Notwithstanding anything herein to the contrary, nothing shall prevent the Firm from reporting such findings to the appropriate persons in accordance with professional standards.

If the Firm is required to give advice, testimony or other such activity not within the scope of rendering, confirming or justifying a report of audit services rendered, such arrangements shall be set forth in a separate arrangement letter.

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AGENCY AUDIT INFORMATION

Mississippi Department of Transportation
Schedule of Selected Funds and Programs for Audit
For the Fiscal Year Ending June 30, 2026

FUND NUMBER/ TYPE	ACCOUNT NO.	ACCOUNT NAME
All General Funds	All Accounts	N/A
3394100000	16000000, 19902021	Capital Assets
3394100000	19902080, 19902081	Capital Assets
3394100000	19902070	Capital Assets
3394100000	80015000	Capital Assets
3394100000	19902071	Capital Assets
3394100000	26010000, 26110000	GLTO

FEDERAL PROGRAM	ALN #	PROGRAM/CLUSTER NAME
Not Applicable		

Schedule of Due Dates

Fund Type	Audit Report and Opinion
General Fund adjustments	October 15, 2026
Financial Statement Audit Reports	October 31, 2026