



12401 SE 320 Street, Auburn, WA 98092  
Business Office: Procurement

CONTRACT NO: 26-1367

**CONTRACT FOR SERVICES  
BETWEEN  
STATE OF WASHINGTON  
Green River College  
AND  
Clark Nuber PS**

This Contract is made and entered into by and between the State of Washington, Green River College, hereinafter referred to as the "COLLEGE", and the below named firm, hereinafter referred to as "CONTRACTOR,"

**Contractor Name: Clark Nuber PS**  
**Address: 555 110th Ave NE, Suite 700**  
**City, State & Zip Code: Bellevue, WA 98004**  
**Phone: 425-454-4919**  
**Web Address: clarknuber.com**

**PURPOSE**

The College is contracting for auditing services of its budgeting and financial position change since 2020.

**SCOPE OF WORK**

A. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

CONTRACTOR is to conduct a detailed audit per proposal detailed in Attachment A.

B. Attachment A contains the scope of work detailed in the service proposal submitted by CONTRACTOR on July 28, 2025, and revised November 19, 2025.

**PERIOD OF PERFORMANCE**

Subject to other contract provisions, the period of performance under this contract will be from November 1, 2025, or when contract is executed, to June 30, 2026.

**COMPENSATION AND PAYMENT**

COLLEGE shall pay an amount not to exceed forty-nine thousand dollars (\$49,000.00). for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance outlined in submitted proposal.

**BILLING PROCEDURES**

COLLEGE will pay CONTRACTOR upon receipt of properly completed invoices, which shall be submitted to the COLLEGE’s Contract Manager, not more often than monthly. The invoices shall describe and document to the COLLEGE’s satisfaction a description of the work performed and the hours of work performed.

Payment shall be considered timely if made by the COLLEGE within thirty (30) days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The COLLEGE may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the COLLEGE.

**CONTRACT MANAGEMENT**

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this Contract.

<b>Contract Manager for CONTRACTOR is:</b>	<b>Contract Manager for COLLEGE is:</b>
Contact Name: <u>Mitchell Hansen</u> Address: <u>555 110th Ave NE, Suite 700</u> City, State, Zip Code: <u>Bellevue, WA 98004</u> Phone: <u>425-709-6697</u> E-mail: <u>mhansen@clarknuber.com</u>	Contact Name: <u>Benjamin Holquist</u> Address <u>12401 SE 320<sup>th</sup> St</u> City, State, Zip Code <u>Auburn, WA 98092</u> Phone: <u>253-288-3406</u> E-mail: <u>benjamin.holquist@greenriver.edu</u>

**INSURANCE**

The CONTRACTOR will provide own insurance to cover activity for this contract.

**Each party to this Agreement shall be responsible for claims and damages to persons or property resulting from acts or omissions on the part of itself, its employees, or its officers. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this agreement. Neither party to this agreement shall be considered the agent of the other party.**

**ASSURANCES**

COLLEGE and the CONTRACTOR agree that all activity pursuant to this Contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

**ORDER OF PRECEDENCE**

Each of the Exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and State of Washington statutes and regulations
- Exhibit A – Green River College General Terms and Conditions
- Attachment A – Contractor Proposal

**ENTIRE AGREEMENT**

This contract including referenced exhibits represents all the terms and conditions agreed upon by the parties. No other understandings or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

**CONFORMANCE**

If any provision of this contract violates any statute or rule of law of the State of Washington, it is considered modified to conform to that statute or rule of law.

**EQUITY, DIVERSITY, AND INCLUSION EXPECTATION**

At Green River College, we embrace and encourage our campus community members' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

All employees of Contractor have a responsibility to always treat others with dignity and respect. All Contractor employees are expected to exhibit conduct that reflects inclusion during work at the College, at College functions on or off the work site, and at all other College-sponsored and participative events.

Contractor's equity, diversity, and inclusion expectations when engaging in work for the College include the following:

- Respectful communication and cooperation between all Contractor's employees and Green River College employees.
- Teamwork and employee participation, permitting the representation of all groups.
- To create, **nurture** and sustain an **inclusive** culture, where differences drive innovative solutions to meet the needs of our students and employees.
- Green River College and Contractor contribute to the communities we serve to promote a greater understanding and respect for the diversity.

**APPROVAL**

This contract shall be subject to the written approval of the COLLEGE'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

THIS CONTRACT, consisting of 9 pages, is executed by the persons signing below who warrant that they have the authority to execute the contract.

**Green River College**

**Clark Nuber**

*Craig Bush*

*Mitchell R. Hansen*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Craig Bush  
Purchasing Director

Mitchell R. Hansen  
Shareholder

Date: Dec 5, 2025

Date: Dec 5, 2025

Approved as to form  
Assistant Attorney General

## EXHIBIT A

### GENERAL TERMS AND CONDITIONS

DEFINITIONS -- As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "COLLEGE" shall mean Green River College, of the state of Washington, any division, section, office, unit or other entity of the COLLEGE, or any of the officers or other officials lawfully representing that COLLEGE.
- B. "Agent" shall mean the VP International, Green River College, and/or the delegate authorized in writing to act on the Director's behalf.
- C. "Contractor" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the Contractor.
- D. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this contract under a separate contract with the Contractor. The terms "Subcontractor" and "Subcontractors" means Subcontractor(s) in any tier.

ACCESS TO DATA -- In compliance with chapter 39.29 RCW, the Contractor shall provide access to data generated under this contract to COLLEGE, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Contractor's reports, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED -- No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the COLLEGE.

AMENDMENTS -- This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35 -- The Contractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT -- The work to be provided under this contract, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

ATTORNEYS' FEES -- In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorneys fees and costs.

CONFIDENTIALITY / SAFEGUARDING OF INFORMATION -- The Contractor shall not use or disclose any information concerning the COLLEGE, or information which may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the COLLEGE, or as may be required by law.

CONFLICT OF INTEREST -- Notwithstanding any determination by the Executive Ethics Board or other tribunal, the COLLEGE may, in its sole discretion, by written notice to the Contractor terminate this contract if it is found after due notice and examination by the Agent that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or services under this contract.

In the event this contract is terminated as provided above, the COLLEGE shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of the COLLEGE provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Agent makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COPYRIGHT PROVISIONS -- Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the COLLEGE. The COLLEGE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the COLLEGE effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, Contractor hereby grants to the COLLEGE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the COLLEGE.

The Contractor shall exert all reasonable effort to advise the COLLEGE, at the time of delivery of Materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this contract. The COLLEGE shall receive prompt written notice of each notice or claim of copyright infringement received by the Contractor with respect to any data delivered under this contract. The COLLEGE shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

COVENANT AGAINST CONTINGENT FEES -- The Contractor warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Contractor for the purpose of securing business. The COLLEGE shall have the right, in the event of breach of this clause by the Contractor, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

DISPUTES – Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved, either party may request a dispute hearing with xxx (Agent). Disputes shall be resolved as quickly as possible.

1. The request for a dispute hearing must:
  - be in writing;
  - state the disputed issue(s);
  - state the relative positions of the parties;
  - state the Contractor's name, address, and contract number; and
  - be mailed to the Agent and the other party's (respondent's) Contract Manager within 3 working days after the parties agree that they cannot resolve the dispute.
2. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working days.
3. The Agent shall review the written statements and reply in writing to both parties within 10 working days. The Agent may extend this period if necessary by notifying the parties.
4. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

COLLEGE and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this contract which are not affected by the dispute. Both parties agree to exercise good faith in the dispute resolution and to settle disputes prior to using the dispute resolution panel whenever possible.

GOVERNING LAW -- This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION – To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the State of Washington, the COLLEGE, and all officials, agents and employees of the State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. Contractor's obligation to indemnify, defend and hold harmless includes any claim by Contractor's agents, employees, representatives, or any subcontractor or its employees.

Contractor expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to Contractor's or any subcontractor's performance or failure to perform the contract. Contractor shall be required to indemnify, defend and hold harmless the State only to the extent claim is caused in whole or in part by negligent acts or omissions of Contractor.

Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

**Each party to this Agreement shall be responsible for claims and damages to persons or property resulting from acts or omissions on the part of itself, its employees, or its officers. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this agreement. Neither party to this agreement shall be considered the agent of the other party.**

INDEPENDENT CAPACITY OF THE CONTRACTOR -- The parties intend that an independent contractor relationship will be created by this contract. The Contractor and his or her employees or agents performing under this contract are not employees or agents of the COLLEGE. The Contractor will not hold himself/herself out as or claim to be an officer or employee of the COLLEGE or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

INDUSTRIAL INSURANCE COVERAGE – The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance. Prior to performing work under this contract, the Contractor shall provide or purchase industrial insurance coverage for the Contractor's employees, as may be required of an "employer" as defined in Title 51 RCW, and shall maintain full compliance with Title 51RCW during the course of this contract. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, the COLLEGE may collect from the Contractor the full amount payable to the Industrial Insurance accident fund. The COLLEGE may deduct the amount owed by the Contractor to the accident fund from the amount payable to the Contractor by the COLLEGE under this contract, and transmit the deducted amount to the Department of Labor and Industries, Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Contractor.

Industrial insurance coverage through the Department of Labor & Industries is optional for sole proprietors, partners, corporate officers and others, per RCW 51.12.020.

LICENSING, ACCREDITATION AND REGISTRATION -- The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

LIMITATION OF AUTHORITY – Only the Agent or Agent's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the Agent.

NONCOMPLIANCE WITH NONDISCRIMINATION LAWS -- In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the COLLEGE. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

NONDISCRIMINATION -- During the performance of this contract, the Contractor shall comply with all federal and state nondiscrimination laws, regulations and policies.

PRIVACY -- Personal information collected, used or acquired in connection with this contract shall be used solely for the purposes of this contract. Contractor and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the COLLEGE or as provided by law. Contractor agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

The COLLEGE reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the contractor through this contract. The monitoring, auditing or investigating may include but is not limited to "salting" by the COLLEGE. Contractor shall certify return or destruction of all personal information upon expiration of this contract. Salting is the act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The Contractor agrees to indemnify and hold harmless the COLLEGE for any damages related to the Contractor's unauthorized use of personal information.

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person's health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

PUBLICITY -- The Contractor agrees to submit to the COLLEGE all advertising and publicity matters relating to this Contract which, in the COLLEGE's judgment, COLLEGE's name can be implied or is specifically mentioned. The Contractor agrees not to publish or use such advertising and publicity matters without the prior written consent of the COLLEGE.

RECORDS MAINTENANCE -- The Contractor shall maintain complete financial records relating to this contract and the services rendered including all books, records, documents, magnetic media, receipts, invoices and other evidence relating to this contract and performance of the services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records including materials generated under the contract, shall be subject at all reasonable times to inspection, review, or audit by the COLLEGE, the Office of the State Auditor, and federal and state officials so authorized by law, rule, regulation, or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

REGISTRATION WITH DEPARTMENT OF REVENUE -- The Contractor shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

RIGHT OF INSPECTION -- The Contractor shall provide right of access to its facilities to the COLLEGE, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

SAVINGS -- In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the COLLEGE may terminate the contract under the "Termination for Convenience" clause, without the ten day notice requirement, subject to renegotiation at the COLLEGE's discretion under those new funding limitations and conditions.

SEVERABILITY – The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY – While on COLLEGE premises, Contractor, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security regulations.

SUBCONTRACTING -- Neither the Contractor nor any Subcontractor shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the COLLEGE.

TAXES – All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Contractor or its staff shall be the sole responsibility of the Contractor.

TERMINATION FOR CAUSE – In the event the COLLEGE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, the COLLEGE has the right to suspend or terminate this Contract. This COLLEGE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 3 days, the contract may be terminated. The COLLEGE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by the COLLEGE to terminate the contract.

In the event of termination, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g. cost of the competitive bidding, mailing, advertising and staff time. The termination shall be deemed to be a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default, or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the COLLEGE provided in this contract are not exclusive and are in addition to any other rights and remedies provided by law.

TERMINATION FOR CONVENIENCE -- Except as otherwise provided in this contract, the COLLEGE may, by 10 days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the COLLEGE shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION PROCEDURES -- Upon termination of this contract, the COLLEGE, in addition to any other rights provided in this contract, may require the Contractor to deliver to the COLLEGE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The COLLEGE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the COLLEGE, and the amount agreed upon by the Contractor and the COLLEGE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services which are accepted by the COLLEGE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the COLLEGE shall determine the extent of the liability of the COLLEGE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The COLLEGE may withhold from any amounts due the Contractor such sum as the COLLEGE determines to be necessary to protect the COLLEGE against potential loss or liability.

The rights and remedies of the COLLEGE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Agent, the Contractor shall:

1. Stop work under the contract on the date, and to the extent specified, in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
3. Assign to the COLLEGE, in the manner, at the times, and to the extent directed by the Agent, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the COLLEGE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the COLLEGE to the extent COLLEGE may require, which approval or ratification shall be final for all the purposes of this clause;
5. Transfer title to the COLLEGE and deliver in the manner, at the times, and to the extent directed by the COLLEGE any property which, if the contract had been completed, would have been required to be furnished to the COLLEGE;
6. Complete performance of such part of the work as shall not have been terminated by the COLLEGE; and
7. Take such action as may be necessary, or as the COLLEGE may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the COLLEGE has or may acquire an interest.

#### TREATMENT OF ASSETS --

- A. Title to all property furnished by the COLLEGE shall remain in the COLLEGE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the COLLEGE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the COLLEGE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the COLLEGE in whole or in part, whichever first occurs.
- B. Any property of the COLLEGE furnished to the Contractor shall, unless otherwise provided herein or approved by the COLLEGE, be used only for the performance of this contract.
- C. The Contractor shall be responsible for any loss or damage to property of the COLLEGE which results from the negligence of the CONTRACTOR or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- D. If any COLLEGE property is lost, destroyed or damaged, the Contractor shall immediately notify the COLLEGE and shall take all reasonable steps to protect the property from further damage.
- E. The Contractor shall surrender to the COLLEGE all property of the COLLEGE prior to settlement upon completion, termination or cancellation of this contract.
- F. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

WAIVER -- Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by the COLLEGE.

## **Attachment A**

### **Amended Scope of Work and Fees**

**Thank you for the opportunity to submit a revised proposal for services to Green River College (“the College”), aimed at analyzing and reporting on the key factors contributing to a recent notable shift in financial position.**

**Recommendation on Scope Period: The College requested the evaluation for FY22-25. However, we recommend extending that timeframe to include FY2019-21 to establish a baseline understanding pre-pandemic. The proposal is written per the College’s requested timeframe, with an option to “upgrade” covering the additional years with the same procedures at a slightly increased cost.**

Based on our discussions with you, our understanding of the goals for this project includes the following:

- Understand the factors contributing to the recent shift in financial position since 2020;
- Perform an independent review of the College's financial management and budgeting practices to understand contributing factors to the shift in financial position;
- Better understand how financial information has been communicated to stakeholders;
- Improve confidence and transparency in the budgetary and financial functions going forward.

We propose a three-phase approach to this engagement: Phase One focuses on planning and information gathering, Phase Two involves a focused financial evaluation, and Phase Three culminates in detailed reporting. Each phase is outlined in the sections below.

## **PHASE ONE: PLANNING & INFORMATION REQUESTS**

### **1. Planning**

- a. We will hold an entrance conference with management and/or the Board to discuss:
  - i. Timing of procedures and availability of staff
  - ii. Timing of periodic updates
  - iii. Expectations for the final product from these services
  - iv. Any specific concerns management has and would like addressed as part of this project
  - v. Possible revisions to scope to fine tune the procedures and/or timeframe under evaluation.

### **2. Information Requests**

- a. Based on finalized scope we will begin requesting relevant administrative and financial information for 2019-2025, including, but not limited to:
  - i. Accounting Policies and Procedures Manual, and any changes during the time period
  - ii. Desk Manuals (if available) for relevant accounting processes
  - iii. Annual reports, SAO Financial Statement Audits, and SAO Accountability Reports for 2019-2025 (we can get most SAO reports from their website but you may have some that aren't yet uploaded).
  - iv. Schedule of Expenses by Major Category for 2019-2025 (See our template)
  - v. Schedule of Budgeted Expenses by Major Category for 2019-2025 (See our template)
  - vi. Schedule with salaries, benefits, payroll taxes, and FTEs for 2019-2025
  - vii. Schedule of expenses by College Division from 2019 to 2025 showing variances from year to year (we will provide a template).
  - viii. Breakdown of student count by types of students for 2019 – 2025
  - ix. Schedule showing revenues, expenses, net income, and fund balance for the past 10 years.
  - x. Schedule of COVID funds received by year and source from 2020 to 2025
  - xi. Schedule of Executive Level compensation from 2019 – 2025.
  - xii. Schedule showing budgeted versus actual revenues, expenses, and fund balance from 2016-2025
  - xiii. Listing of Board meetings for 2019 – 2025 for us to select a sample and obtain the Board packet for the meetings selected.
  - xiv. Contact information for leadership team and accounting team, and a point of contact to help coordinate interviews.

## **PHASE TWO: FINANCIAL EVALUATION**

**We have aligned our procedures with the structure outlined in the College's revised Request for Proposal to ensure clarity and ease of use.**

### **Fiscal Situation**

- 1. Evaluate the causes and nature of the increase in College expenses and the decline in fund balance between fiscal years 2019 and 2025.**
  - a. What were the primary drivers and factors of expense growth?**
    - i. Obtain a schedule of expenses for each year from 2019 through 2025 showing expenses by major expense categories and showing the changes from year to year (We will provide a template for the College's accounting team to complete). We include years back to 2019 to have a feel for normal spending pre-pandemic.**
    - ii. Investigate any fluctuations between years greater than \$1 million through inquiry and review of G/L detail.**
    - iii. Schedule out Executive Level Compensation and investigate unusual fluctuations.**
  - b. How have the proportional allocations across different budget areas changed during this period?**
    - i. Obtain a schedule of budgeted expenses for each year from 2019 through 2025 showing expenses by major expense categories and showing the changes from year to year (We will provide a template for the College's accounting team to complete).**
    - ii. Investigate any fluctuations between years greater than \$1 million through inquiry and review of G/L detail.**
    - iii. Investigate any summary account with a 2019 expense total of greater than \$1 million which has increased more than 10% beyond inflation (29.3%) between 2019 and 2025.**
  - c. How does the College's spending growth compare to Washington's inflation rate?**
    - i. Using the expense analysis above, calculate the growth rate of expenses by major categories.**
    - ii. Compare the expense growth rates with Washington State's inflation rate.**
    - iii. For those major expense categories greater than the inflation rate, obtain an explanation from management.**
  - d. How have legislative mandates influenced the college's spending (COLAs, specific allocations, etc.)?**
    - i. Interview the President and Sr. Director of Financial Services regarding the impacts of legislative mandates on budgets, revenues, and expenses for the period from 2019-2025.**
    - ii. Compare responses with results from other procedures performed during this project and expectations.**
  - e. What impact have changes in employee headcount had on the overall increase in salary and benefits expenses?**

- i. Calculate salaries, benefits, and payroll taxes per FTE for the period from 2019 to 2025.
    - ii. Ask Sr. Director of Financial Services about any changes greater than 3% from year to year.
  - f. How have operating expenditures by College Division (Sr. Director of Financial Services area of responsibility) increased?
    - i. Obtain a schedule of expenses by College Division from 2019 to 2025 showing variances from year to year (we will provide a template).
    - ii. We will investigate any variances greater than \$1 million by reviewing general ledger detail and inquiry of the Sr. Director of Financial Services.
  - g. How have budget accounts changed over the period?
    - i. Compare growth rate of budgeted expenses from 2019 to 2025 with Washington's inflation rate, and growth rate in students.
    - ii. Review results with Sr. Director of Financial Services to discuss changes in budget growth rate versus changes in inflation or student counts.
- 2. Evaluate the state of the fund balance.
  - a. How did the fund balance decline over time?
    - i. Obtain schedule showing revenues, expenses, net income, and fund balance for the past 10 years.
    - ii. Compare with changes in student count and inflation during that same period.
    - iii. Obtain financial statements for Tacoma Community College ("TCC") and Everett Community College ("ECC") from the SAO website for as many years as possible between 2016 and 2025. Also, look on their websites for annual reports that include their financial statements.
    - iv. Compare the College's change in revenues, expenses and fund balance with TCC's and ECC's.
  - b. To what degree did the reliance on and expenditure of temporary federal and state COVID funds contribute to the College's permanent expense expansion?
    - i. Obtain a schedule of COVID funds received from 2020 to 2025.
    - ii. Back those amounts out of total revenue and recalculate net income and fund balance without the COVID funding for the period from 2020 to 2025.
- 3. Evaluate the College's effectiveness in predicting expenses.
  - a. How accurately has the College predicted its actual expenses, and has this accuracy changed over time?
    - i. Obtain a schedule showing budgeted versus actual revenues, expenses, and fund balance from 2016-2025.
    - ii. Plot each of these on a graph to depict the differences over time pre-pandemic, during, and post-pandemic.

#### **Communications and Internal Controls**

- 4. Evaluate the adequacy of the College's internal financial controls, decision-making processes, and reporting mechanisms at various levels for an organization of its size.
  - a. How well did the College adhere to its internal controls?

- i. Review SAO accountability reports and any financial statement findings reported in annual audit reports.
      - 1. Determine if any findings are recurring, and if so, find out why.
  - b. Review the data presented to the Board of Trustees (“BOT”) in prior years to assess the financial data presented to the BOT. Is there any data that would typically be expected to be presented to a board that is not presented?
    - i. Select one financial report for one meeting per year for the years 2019 to 2025.
    - ii. Agree numbers to general ledger.
    - iii. Determine if the Board is getting a balance sheet, a budget to actual income statement, and investment summary.
    - iv. Review any narrative provided to determine if the message is consistent with the financial statements.
    - v. Determine if other financial information is provided that is tied to strategic goals to help track progress in achieving those goals.
    - vi. Interview the Board Chair to determine if there is any information not being provided that they need.
  - c. How thoroughly did the data presented reflect the fiscal situation at the time?
    - i. Conclude on results of analyses above and consider recommendations to improve reporting processes.
- 5. Evaluate how accurately the College’s leadership (given knowledge at the time) communicate the college’s financial condition.
  - a. To what extent were the College's financial communications to all staff accurate and comprehensive?
    - i. Gain an understanding of what mechanisms management used to communicate financial condition.
    - ii. Compare these communications with results from procedures above for comprehensiveness and accuracy.
  - b. Review included communications to all staff to assess their accuracy, clarity, and overall effectiveness in conveying the College’s financial state.
    - i. Based on procedures above, conclude on accuracy, clarity and overall effectiveness of communications in conveying the true financial state.

**PHASE THREE: REPORTING:**

After completion of the first two phases, we will hold an exit conference, followed by issuance of a draft report with recommendations, and then a final report based upon your feedback, discussions, and revisions.

1. **Exit Conference:** Because these types of documents can be subject to public disclosure requirements, we have found it best to hold an exit conference meeting with management to discuss preliminary findings and recommendations. The goal is to ensure that there have been no misconceptions or miscommunications prior to committing something to writing.
2. **Draft Report:** Prepare a draft report with sections for executive summary, background and scope, findings and recommendations, and appendices with detailed supporting information. We will provide actionable recommendations to enhance financial transparency, strengthen

**budgeting processes, and rebuild stakeholder confidence for the upcoming budget cycles.**

**These recommendations will include:**

- a. **Processes for identifying potential financial risks and developing mitigation strategies.**
  - b. **Effectiveness for contingency planning for budgetary shortfalls.**
  - c. **Implementation and monitoring of early warning financial indicators.**
  - d. **Integration of stakeholder input into budget development process.**
  - e. **Development of robust financial projections.**
  - f. **Implementation and development of communication protocols to accurately and effectively communicate the college's financial state.**
  - g. **Other best practice recommendations noted during the project.**
3. **Review draft with management to ensure all are comfortable with the tone and content and revise as necessary.**
  4. **Issue final report**
  5. **Present to the College Board, if desired.**

**Estimated Cost = \$49,000 (including travel, out-of-pocket costs, and technology fee).**

# Clark Nuber 26-1367

Final Audit Report

2025-12-05

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