

# Hope College

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Federal Awards  
Supplemental Information  
June 30, 2009

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## Independent Auditor's Report

To the Board of Trustees  
Hope College

We have audited the basic financial statements of Hope College as of and for the year ended June 30, 2009 and have issued our report thereon dated November 2, 2009. Those basic financial statements are the responsibility of the management of Hope College. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *SSA's* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Hope College taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with the Standards of the  
Comptroller General of the United States

To the Board of Trustees  
Hope College

We have audited the financial statements of Hope College as of and for the year ended June 30, 2009 and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Standards of the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and perform

To the Board of Trustees  
Hope College

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "f#/Z#Z\$%"

We noted certain matters that we have reported to management of Hope College in a separate letter dated November 2, 2009.

This report is intended solely for the information and use of management, the board of trustees, others within the College, the audit committee, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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November 2, 2009

Report on Compliance with Requirements Applicable to Each Major Program and  
on Internal Control Over Compliance with OMB Circular A-133

To the Board of Trustees  
Hope College

Compliance

To the Board of Trustees  
Hope College

## Internal Control Over Compliance

The management of Hope College is responsible for establishingd

# Hope College

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2009

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Clusters:			
Student Financial Aid Cluster - U.S. Department of Education:			
Federal Direct Student Loan Program	84.268		\$ 13,530,248
Federal Pell Grant Program	84.063	P063P040228	1,453,767
Federal Work-Study Program (excluding expenditures of \$75,135 paid from matching funds)	84.033	P033A042017	240,432
Federal Supplemental Educational Opportunity Grants Program (excluding expenditures of \$80,737 paid from matching funds)	84.007	P007A042017	242,212
Federal Perkins Loan Program (Note 2)	84.038	P038A042017	78,860
National Science and Mathematics Access to Retain Talent Grant Program	84.376	P376S060228	70,000
Academic Competitiveness Grant Program	84.375	P375A060228	127,000
Federal TEACH Grants	84.379		<u>40,434</u>
Total Student Financial Aid Cluster			15,782,953
Research and Development Cluster:			



# Hope College

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2009

### Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hope College (the "College") and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Note 2 - Loans Outstanding

The amount presented for the Federal Perkins Loan program represents the administrative and collections costs. The outstanding loan balance as of June 30, 2009 is \$6,573,457, which includes new loans issued during the year of \$1,254,253. The new loans were financed from the collections of previous loans and interest income. There were no federal or institutional capital contributions to the loan program during the year ended June 30, 2009. The College utilizes the services of College Accounting Services, Inc. to administer the repayments of the Federal Perkins loans and perform certain due diligence procedures.

### Note 3 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

<u>Program Title/Project Number/Subrecipient Name</u>	<u>CFDA Number</u>	<u>Current Year Cash Transferred to Subrecipient</u>
National Science Foundation - Education and human resouces - Mission College	47.076	\$ 23,460
National Science Foundation - Mathematical and physical sciences - Georgia State University	47.049	<u>20,439</u>
Total federal awards provided to subrecipients		<u>\$ 43,899</u>

# Hope College

## Schedule of Findings and Questioned Costs Year Ended June 30, 2009

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?             Yes     No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?     Yes     None reported

Noncompliance material to financial statements noted?             Yes     No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?             Yes     No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?     Yes     None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?             Yes     No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.268, 84.063, 84.033, 84.007, 84.038, 84.376, 84.379 and 84.375	Student Financial Aid Cluster
Various	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low risk auditee?             Yes     No

# Hope College

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## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2009

### Section II - Financial Statement Audit Findings

None

### Section III - Federal Program Audit Findings

None