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# Hope College

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June 30, 2022**

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

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, 2022 and have issued our report thereon dated November 10, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 10, 2022.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

March 17, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards*

**Independent Auditor's Report**

To Management and the Board of Trustees  
Hope College

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hope College (the "College"), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 10, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from 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 financial statements. 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 *Government Auditing Standards*.

To Management and the Board of Trustees  
Hope College

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moreau, PLLC*

November 10, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Trustees  
Hope College

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Hope College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal program.

To the Board of Trustees  
Hope College

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Trustees  
Hope College

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

March 17, 2023

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number / Federal Award Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>Clusters:</b>				
Student Financial Assistance Cluster - U.S. Department of Education - Direct:				
William D. Ford Federal Direct Loan Program	84.268	P269K180228	\$ -	\$ 13,642,207
Federal Pell Grant Program	84.063	P063P100228	-	2,403,000
Federal Work-Study Program (excluding expenditures of \$91,350 paid from matching funds)	84.033	P033A102017	-	292,319
Federal Supplemental Educational Opportunity Grants Program (excluding expenditures of \$75,691 paid from matching funds)	84.007	P007S102017	-	242,212
Federal Perkins Loans (Note 3)	84.038	P038S042017	-	2,720,990
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	P379T180228	-	155,120
Total Student Financial Assistance Cluster			-	19,455,848
Research and Development Cluster:				
National Science Foundation (NSF) - Direct:				
Engineering grants	47.041	RUI-1662655	-	22,871
Engineering grants	47.041	CBET-1805447	3,409	62,165
Mathematical and physical sciences	47.049	CHE-1764118	-	89,929
Mathematical and physical sciences	47.049	AST-1813610	-	52,021
Mathematical and physical sciences	47.049	RUI-1911418	-	93,368
Mathematical and physical sciences	47.049	RUI-2128632	-	43,586
Computer and information science and engineering	47.070	MRI-1919571	-	22,650
Biological sciences	47.074	MCB-1814845	-	60,272
Biological sciences	47.074	RUI-1616737	-	46,106
Biological sciences	47.074	DUE-1716285	-	95,774
Biological sciences	47.074	MCB-2141375	-	12,951
Education and human resources	47.076	DUE-1650889	-	29,533
Education and human resources	47.076	DUE-1726162	-	86,001
Education and human resources	47.076	DUE-2029372	-	129,264
NSF Federal Funds - Pass through:				
Education and human resources passed through APS	47.076	EDU-001-2018	-	121,922
Education and human resources passed through University of Texas at Arlington	47.076	18-001225	-	25,061
Total National Science Foundation			3,409	993,474
Environmental Protection Agency - Great Lakes program - passed through Macatawa Area Coordinating Council				
Department of Education - Fund for the Improvement of Postsecondary Education - Passed through University of California	66.469	00E02914	-	7,227
National Aeronautics and Space Administration - Science - passed through the University of Michigan - Michigan Space Consortium	84.116T	A19-2778-S001	-	45,747
National Aeronautics and Space Administration - Education - Direct	43.001	NGT5-40062	-	137,860
National Institutes of Health (NIH) - Biomedical Research and Research Training - Direct	43.008	80NSSC22K0447	-	1,793
Department of Energy - Office of Science Financial Assistance Program - Direct	93.859	1R15GM132853-01	-	56,057
National Oceanic and Atmospheric Administration - Marine Sanctuary Program - Direct	81.049	DE-SC0019062	-	25,087
National Oceanic and Atmospheric Administration - Marine Sanctuary Program - Direct	11.429	NA20NOS4290009	-	24,769
Total Research and Development Cluster			3,409	1,292,014
TRIO Cluster - Upward Bound (excluding expenditures of \$125,000 paid from matching funds) - Direct	84.047	P047A990606-02	-	554,437
Total Clusters			3,409	21,302,299
<b>Other federal awards -</b>				
Dept of Health and Human Services - Direct:				
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases passed through State of Michigan	93.323	NU50CK000510	-	1,851,144
National Endowment for the Arts - Direct:				
Promotion of the Arts	45.024	FY15-2246	-	61,169
Promotion of the Humanities	45.129	N/A	-	15,000
Total National Endowment for the Arts			-	76,169
U.S. Department of Education - Direct:				
COVID-19 - Education Stabilization Fund - Student Aid	84.425E	P425E200657	-	2,741,444
Total other federal awards			-	4,668,757
Total federal awards			<u>\$ 3,409</u>	<u>\$ 25,971,056</u>

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## Notes to Schedule of Expenditures of Federal Awards

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Year Ended June 30, 2022

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Hope College (the "College") under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The College has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

### Note 3 - Loan Balances

As part of the Student Financial Assistance Cluster, the College participates in the Federal Perkins Loan Program through the U.S. Department of Education. The outstanding balances on these loans totaled \$1,955,657 as of June 30, 2022. No new loans were issued, and there were no federal or institutional capital contributions to the loan program during the year ended June 30, 2022. The College utilizes the services of Heartland ECSI to administer the repayments of the Federal Perkins loans and perform certain due diligence procedures.

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## Schedule of Findings and Questioned Costs

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## Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

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

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   None reported

#### Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_\_\_\_ Yes      X   No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.268, 84.063, 84.033, 84.007, 84.038, 84.379 84.425E 93.323	Student Financial Assistance Cluster COVID-19 - Education Stabilization Fund COVID-19 - HHS - Epidemiology and Laboratory Capacity for Infectious Diseases

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes    \_\_\_\_\_ No

### Section II - Financial Statement Audit Findings

Reference Number	Finding
<b>Current Year</b> None	

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Schedule of Findings and Questioned Costs (Continued)

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Year Ended June 30, 2022

**Section III - Federal Program Audit Findings**

Reference Number	Finding
<b>Current Year</b>	None