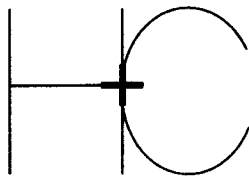


**GENERATIONS INCORPORATED
FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

GENERATIONS INCORPORATED

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Certified Public Accountants

David J. McCaughin, CPA
John S. McNamara, CPA

Independent Auditors' Report

To the Board of Directors
Generations Incorporated
Boston, Massachusetts

We have audited the accompanying statements of financial position of Generations Incorporated as of and for the years ended June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Generations Incorporated's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Generations Incorporated as of June 30, 2010 and 2009, and the results of its operations and changes in net assets for the years then ended, in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2010, on our consideration of Generations Incorporated's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

To the Board of Directors
Generations Incorporated
Page 2

Our audits were conducted for the purpose of forming an opinion on the financial statements of Generations Incorporated's basic financial statements. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2010 is presented for purposes of additional analysis as required by *United States Office of Management and Budget (OMB) Circular A-133*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hughes and Company, P.C.

HUGHES AND COMPANY, P.C.
Melrose, Massachusetts
October 20, 2010

GENERATIONS INCORPORATED
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets		
Cash	\$ 70,187	\$ 65,272
Accounts receivable, net of allowance for uncollectibles	55,350	35,413
Unconditional promises to give (Note 2)	-	25,000
Grants and contributions receivable, net of allowance for uncollectibles	500	8,000
Prepaid expenses	3,904	3,495
Total Current Assets	129,941	137,180
Property and Equipment		
Furniture, fixtures and equipment	71,968	71,968
Less accumulated depreciation	(57,868)	(46,871)
Property and Equipment, Net	14,100	25,097
Other Assets		
Security deposit	17,850	17,850
Total Other Assets	17,850	17,850
Total Assets	\$ 161,891	\$ 180,127
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 64,818	\$ 61,412
Total Current Liabilities	64,818	61,412
Net Assets		
Unrestricted	88,073	78,715
Temporarily Restricted	9,000	40,000
Total Net Assets	97,073	118,715
Total Liabilities and Net Assets	\$ 161,891	\$ 180,127

The accompanying notes are an integral part of the financial statements.

GENERATIONS INCORPORATED
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Changes in Unrestricted Net Assets		
Support and Revenue		
Federal Funding		
Americorps	\$ 722,560	\$ 567,195
Supplemental Education Services	23,384	32,912
Office of Juvenile Justice and Delinquency Prevention	147,658	-
Total Federal Funding	<u>893,602</u>	<u>600,107</u>
State funding	67,529	49,259
Corporate and private foundation grants	285,500	607,817
Contributions and gifts	78,349	74,629
Special Events		
Revenue - Cash	57,838	88,378
Revenue - In Kind	4,662	18,260
Expenses - Cash	(1,894)	(4,009)
Expenses - In Kind	<u>(4,662)</u>	<u>(18,260)</u>
Special Events, net	55,944	84,369
In-kind donations (Note 3)	962,027	843,365
Training and participation fees	216,983	165,047
Rental income	4,000	-
Interest income	-	53
Total Unrestricted Support and Revenue	<u>2,563,934</u>	<u>2,424,646</u>
Net Assets Released from Restrictions		
Corporate and private foundation grants	<u>40,000</u>	<u>82,000</u>
Total Unrestricted Support, Revenue and Reclassifications	<u>2,603,934</u>	<u>2,506,646</u>
Expenses		
Program services	2,211,992	2,177,171
Management and general	170,618	105,108
Fundraising	211,966	212,931
Total Expenses	<u>2,594,576</u>	<u>2,495,210</u>
Increase in Unrestricted Net Assets	<u>9,358</u>	<u>11,436</u>
Changes in Temporarily Restricted Net Assets		
Corporate and private foundation grants	9,000	15,000
Net assets released from restrictions		
Expiration of time restrictions	<u>(40,000)</u>	<u>(82,000)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(31,000)</u>	<u>(67,000)</u>
Change in Net Assets	(21,642)	(55,564)
Net Assets, Beginning	<u>118,715</u>	<u>174,279</u>
Net Assets, Ending	<u>\$ 97,073</u>	<u>\$ 118,715</u>

The accompanying notes are an integral part of the financial statements.

GENERATIONS INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009			
	Program Services	Management and General	Fundraising	Program Services	Management and General	Fundraising	Total
Salaries, wages and stipends	\$ 1,718,884	\$ 84,463	\$ 168,932	\$ 1,680,998	\$ 53,930	\$ 166,736	\$ 1,901,664
Payroll taxes	51,407	4,508	8,918	45,912	3,517	7,973	57,402
Employee benefits	40,730	10,243	1,557	56,485	11,185	1,923	69,593
Advertising	1,317	71	12,337	956	215	5,032	6,203
Auditing fees	13,500	750	750	12,600	700	700	14,000
Bad debts	-	28,500	-	-	13,028	-	13,028
Bank and credit card charges	199	155	465	89	80	656	825
Conferences, conventions and meetings	100	557	231	144	828	182	1,154
Consultants	104,829	24,620	8,999	10,580	4,712	20,030	35,322
Depreciation	9,897	550	550	10,826	601	601	12,028
Dues and subscriptions	394	1,203	783	160	1,313	298	1,771
Equipment rental and maintenance	5,267	290	290	5,938	330	330	6,598
Insurance	3,097	1,839	172	763	4,203	42	5,008
Miscellaneous	288	2,739	2,415	53	2,203	1,744	4,000
Occupancy	71,806	3,989	3,989	83,322	4,629	4,629	92,580
Office expense	15,819	462	46	362	269	14	645
Postage and shipping	2,334	84	551	1,954	92	964	3,010
Recruitment	1,768	-	-	1,856	-	-	1,856
Supplies	12,116	1,499	226	17,090	655	242	17,987
Technical support	-	3,120	-	-	-	-	-
Telephone and internet usage	7,826	519	512	9,845	557	557	10,959
Training	8,291	-	40	7,081	175	80	7,336
Transportation	7,434	-	-	11,446	-	-	11,446
Travel	3,328	404	203	1,353	1,686	54	3,093
Uniforms	2,838	-	-	4,961	-	-	4,961
Volunteer incentives and stipends	128,523	53	-	212,397	200	144	212,741
Total Functional Expenses	\$ 2,211,992	\$ 170,618	\$ 211,966	\$ 2,177,171	\$ 105,108	\$ 212,931	\$ 2,495,210

The accompanying notes are an integral part of the financial statements.

GENERATIONS INCORPORATED
 STATEMENTS OF CASH FLOWS
 YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (21,642)	\$ (55,564)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	10,997	12,028
Changes in assets and liabilities (Increase) Decrease in:		
Accounts receivable	(19,937)	(8,706)
Unconditional promises to give	25,000	51,000
Grants and contributions receivable	7,500	8,550
Prepaid expenses	(409)	(39)
Increase (Decrease) in:		
Accounts payable and accrued expenses	3,406	4,005
Net Cash Provided by Operating Activities	4,915	11,274
Cash Flows from Investing Activities		
Purchase of equipment	-	(2,515)
Net Cash Used in Investing Activities	-	(2,515)
Net Increase in Cash	4,915	8,759
Cash, Beginning	65,272	56,513
Cash, Ending	\$ 70,187	\$ 65,272
Supplemental disclosures of cash flows information		
Cash paid during the year for		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Generations Incorporated (the “Organization”) was incorporated on March 31, 1994, pursuant to the laws of the Commonwealth of Massachusetts. The Organization is a not-for-profit corporation formed for the purpose of developing and implementing inter-generational programming that recruits older adults to tutor elementary school age youth.

The Organization affiliates with a national program called Experience Corps, whose mission is to create powerful opportunities for older adults to meet society’s greatest challenge and a vision which focuses on older adults as integral parts of the education strategy of America. This Affiliation is a formal partnership with specific standards, brand marketing, goals, and strong mission match.

The Organization’s primary program is therefore its **Experience Corps Program**, which consists of two major activities:

- **Reading Coaches**--a program that joins older adults and children in grades 1-3 who are reading below grade level in weekly academic mentoring sessions focused on reading comprehension. In 2009, a rigorous evaluation of this Experience Corps program showed that students in the test group showed greater improvements in reading comprehension than control group students.
- **Classroom Literacy**--a program that brings trained older adults into elementary school classrooms to assist the teacher with literacy activities. Twice each week, these volunteers work with small groups of children in the classroom to improve literacy skills while reinforcing teacher instruction. This not only provides an extra learning opportunity for children, but also provides a smaller adult:child ratio inside the classroom.

Additionally, the Organization operates a **VISTA Program** which places VISTA (Volunteers in Service to America) members in Greater Boston non-profit organizations that have a mission match with the Organization. All members are placed in organizations that serve low-income populations in one of the following categories:

1. Services for older adults (organizations who engage older adults in volunteer roles or who support older adults through a variety of services).
2. Children’s literacy (organizations that help children to succeed as they are learning to read or to write).
3. Civic Engagement

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010 AND 2009

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

Expenditures for maintenance and repairs are expensed as incurred while renewals and betterments are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 years.

GENERATIONS INCORPORATED
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010 AND 2009

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated subsequent events through October 20, 2010 which is the date the financial statements were available to be issued.

Note 2 - Unconditional Promises to Give

During 2010, the Organization received no pledges to fund various programs. Unconditional promises to give as of June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Kindergarten program	\$ -	\$ 10,000
Classroom literacy	-	15,000
Total gross unconditional promises to give	<u>\$ -</u>	<u>\$ 25,000</u>
Receivable in less than one year	-	25,000
Total Unconditional Promises to Give	<u>\$ -</u>	<u>\$ 25,000</u>

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010 AND 2009

Note 3 - In-Kind Donations

The value of donated services, supplies and space included as contributions in the financial statements and the corresponding functional categories for the year ended June 30, 2010 (with comparative totals as of June 30, 2009) are as follows:

	Program Services	Management and General	Fundraising	2010 Totals	2009 Totals
AmeriCorps Volunteers	\$ 252,370	\$ -	\$ -	\$ 252,370	\$ 187,807
Experience Corps Volunteers	234,663	-	-	234,663	480,189
Volunteers in Service to America	198,508	22,360	41,052	261,920	135,404
Commonwealth Corp. Volunteers	56,767	-	-	56,767	27,653
Books	2,260	-	-	2,260	4,448
Office Furnishings	-	1,250	-	1,250	-
Recruitment, Training and Volunteer Incentives	911	-	-	911	5,055
Supplies	2,160	-	-	2,160	2,445
Consultant/Technology	107,744	31,774	-	139,518	-
Advertising Event	-	-	10,155	10,155	-
Miscellaneous	53	-	-	53	364
Totals	<u>\$ 855,436</u>	<u>\$ 55,384</u>	<u>\$ 51,207</u>	<u>\$ 962,027</u>	<u>\$ 843,365</u>

Note 4 - Related Party Transactions

Certain officers and members of the Board of Directors of Generations Incorporated provide pro-bono legal and insurance placement and consulting services.

Note 5 - Commitments

The Organization leases office facilities located in Boston, Massachusetts. Rent on the lease is payable in monthly installments of \$5,950 beginning October, 2005, with annual increases of 3%. The initial lease term is five years. The lease was renewed as of July 1, 2010. Monthly rent under the new agreement is \$6,650 over five years. The Organization received one month rent free as part of the new agreement.

Additional rent is assessed to cover the Organization's share of increases in real estate taxes. In addition, the rent is adjusted annually based on increases in the Consumer Price Index, as defined. Utilities, insurance and maintenance expenses are paid directly by the Organization.

GENERATIONS INCORPORATED
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010 AND 2009

Note 5 - Commitments

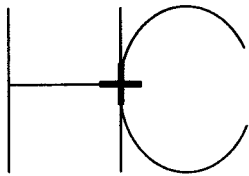
The Organization estimates that its minimum future rent commitment under the lease is as follows:

Year Ending June 30,	
2011	\$ 79,800
2012	79,800
2013	79,800
2014	79,800
2015	79,800

Note 6 - VISTA Program:

Following is a breakdown of expenses by natural category for the VISTA program where expenses were incurred outside of our primary program services. While some VISTA members serve at Generations Incorporated, these expenses relate to VISTA members serving outside of the Organization, and are included in the program services column of the Statement of Functional Expenses on page 5.

Salaries, wages and stipends	\$ 331,751
Dues and subscriptions	79
Postage	12
Training	5,385
Volunteer incentives	8,968
Total VISTA Expenses	<u>\$ 346,195</u>



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Certified Public Accountants

David J. McCaughin, CPA
John S. McNamara, CPA

**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**

To the Board of Directors
Generations Incorporated
Boston, Massachusetts

We have audited the financial statements of Generations Incorporated (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 20, 2010. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Generations Incorporated's internal control over financial reporting as a basis for designing our auditing procedures 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 Generations Incorporated's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Directors
Generations Incorporated
Page two

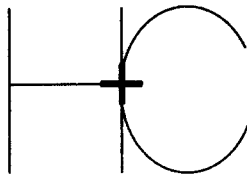
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Generations Incorporated'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 *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of directors, others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Hughes and Company, P.C.

HUGHES AND COMPANY, P.C.
Melrose, Massachusetts
October 20, 2010



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Certified Public Accountants

David J. McCaughin, CPA
John S. McNamara, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Generations Incorporated
Boston, Massachusetts

Compliance

We have audited the compliance of Generations Incorporated (a nonprofit organization), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Generations Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Generations Incorporated's management. Our responsibility is to express an opinion on Generations Incorporated's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Generations Incorporated's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Generations Incorporated's compliance with those requirements.

In our opinion, Generations Incorporated, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

To the Board of Directors
Generations Incorporated
Boston, Massachusetts

Internal Control Over Compliance

Management of Generations Incorporated, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Generations Incorporated's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Generations Incorporated's 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 control over compliance is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, 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.

Hughes and Company, P.C.

HUGHES AND COMPANY, P.C.
Melrose, Massachusetts
October 20, 2010

GENERATIONS INCORPORATED
 SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Corporation for National and Community Service</u>			
Direct Programs:			
Americorps* VISTA	94.013	07VSAMA007	\$ 328,775
VISTA ARRA Program	94.013	09VSAMA009	10,000
Pass-Through Programs From:			
Mass Service Alliance:			
Americorps	94.003	06AFHMA0010006	11,951
Americorps ARRA Program	94.006	09RFHMA001	371,834
Total Corporation for National Community Service			<u>722,560</u>
<u>Office of Juvenile Justice and Delinquency Prevention</u>			
Pass-Through Programs From:			
Experience Corps	16.726	2009-JU-FX-0063	147,658
<u>U. S. Department of Education</u>			
Pass-Through Programs From:			
Commonwealth of Massachusetts Department of Education			
City of Boston - Boston Public Schools:			
Supplemental Education Services	84.010	25678	23,384
Total U. S. Department of Education			<u>23,384</u>
Total Expenditures of Federal Awards			<u>\$ 893,602</u>

See accompanying note to Schedule of Expenditures of Federal Awards

GENERATIONS INCORPORATED
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Generations Incorporated and is presented on the accrual basis of accounting. 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*.

GENERATIONS INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Generations Incorporated.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Generations Incorporated were disclosed during the audit.
4. No reportable conditions relating to the audit of major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A133*.
5. The auditors' report on compliance for the major federal award programs for Generations Incorporated expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Generations Incorporated are reported in Part C of this Schedule.
7. The programs tested as major programs included:
 - a. CFDA #94.013 - Americorps* VISTA
 - b. CFDA #94.006 - Americorps
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Generations Incorporated was determined to be a low- risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No material findings.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No material findings or questioned costs.

D. PRIOR YEAR FINDINGS

There were no material findings reported in the June 30, 2009 report.