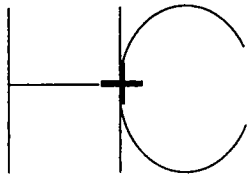


GENERATIONS INCORPORATED
FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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 (a nonprofit organization) as of and for the years ended June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. 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, 2011 and 2010, and the results of its operations and changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2011, 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 should be considered in 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 basic financial statements of Generations Incorporated's basic taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 5, 2011

GENERATIONS INCORPORATED
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2011 AND 2010

	<u>ASSETS</u>	
	<u>2011</u>	<u>2010</u>
Current Assets		
Cash	\$ 69,687	\$ 70,187
Accounts receivable, net of allowance for uncollectibles	163,485	55,850
Unconditional promises to give, current (Note 2)	35,000	-
Prepaid expenses	3,782	3,904
Total Current Assets	<u>271,954</u>	<u>129,941</u>
Property and Equipment		
Furniture, fixtures and equipment	75,821	71,968
Less accumulated depreciation	<u>(66,003)</u>	<u>(57,868)</u>
Property and Equipment, Net	<u>9,818</u>	<u>14,100</u>
Other Assets		
Unconditional promises to give, long-term (Note 2)	55,000	-
Security deposit	17,850	17,850
Total Other Assets	<u>72,850</u>	<u>17,850</u>
Total Assets	<u>\$ 354,622</u>	<u>\$ 161,891</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current Liabilities		
Accounts payable and accrued expenses	\$ 52,387	\$ 64,818
Total Current Liabilities	<u>52,387</u>	<u>64,818</u>
Net Assets		
Unrestricted	105,985	88,073
Temporarily Restricted	196,250	9,000
Total Net Assets	<u>302,235</u>	<u>97,073</u>
Total Liabilities and Net Assets	<u>\$ 354,622</u>	<u>\$ 161,891</u>

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

GENERATIONS INCORPORATED
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Changes in Unrestricted Net Assets		
Support and Revenue		
Federal Funding		
Americorps	\$ 245,452	\$ 383,785
Americorps National Direct	208,492	-
Americorps VISTA	311,986	338,775
EDIC - Community Development Block Grant	25,000	-
Supplemental Education Services	25,221	23,384
Office of Juvenile Justice and Delinquency Prevention	199,451	147,658
Total Federal Funding	<u>1,015,602</u>	<u>893,602</u>
State funding	-	67,529
Corporate and private foundation grants	273,300	285,500
Contributions and gifts	67,319	78,349
Special Events		
Revenue - Cash	109,043	57,838
Revenue - In Kind	9,824	4,662
Expenses - Cash	(11,701)	(1,894)
Expenses - In Kind	<u>(9,824)</u>	<u>(4,662)</u>
Special Events, Net	97,342	55,944
In-kind donations (Note 3)	664,580	962,027
Training and participation fees	209,969	216,983
Other income	3,978	4,000
Total Unrestricted Support and Revenue	<u>2,332,090</u>	<u>2,563,934</u>
Net Assets Released from Restrictions		
Corporate and private foundation grants and participation fee revenue	<u>9,000</u>	<u>40,000</u>
Total Unrestricted Support, Revenue and Reclassifications	<u>2,341,090</u>	<u>2,603,934</u>
Expenses		
Program services	1,988,952	2,211,992
Management and general	139,668	170,618
Fundraising	<u>194,558</u>	<u>211,966</u>
Total Expenses	<u>2,323,178</u>	<u>2,594,576</u>
Increase in Unrestricted Net Assets	<u>17,912</u>	<u>9,358</u>
Changes in Temporarily Restricted Net Assets		
Corporate and private foundation grants and Net assets released from restrictions	196,250	9,000
Expiration of time restrictions	<u>(9,000)</u>	<u>(40,000)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>187,250</u>	<u>(31,000)</u>
Change in Net Assets	205,162	(21,642)
Net Assets, Beginning	97,073	118,715
Net Assets, Ending	<u>\$ 302,235</u>	<u>\$ 97,073</u>

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

GENERATIONS INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2011 AND 2010

	Program Services	Management and General	Fundraising	2011 Total	Program Services	Management and General	Fundraising	2010 Total
Salaries, wages and stipends	\$ 1,577,945	\$ 99,441	\$ 166,195	\$ 1,843,581	\$ 1,718,884	\$ 84,463	\$ 168,932	\$ 1,972,279
Payroll taxes	61,140	5,609	8,870	75,619	51,407	4,508	8,918	64,833
Employee benefits	49,807	16,286	4,965	71,058	40,730	10,243	1,557	52,530
Advertising	892	48	1,352	2,292	1,317	71	12,337	13,725
Auditing fees	13,500	750	750	15,000	13,500	750	750	15,000
Bad debts	-	-	-	-	-	28,500	-	28,500
Bank and credit card charges	42	595	303	940	199	155	465	819
Conferences, conventions and meetings	217	298	214	729	100	557	231	888
Consultants	2,453	1,023	-	3,476	104,829	24,620	8,999	138,448
Depreciation	7,321	407	407	8,135	9,897	550	550	10,997
Dues and subscriptions	595	577	303	1,475	394	1,203	783	2,380
Equipment rental and maintenance	5,108	280	280	5,668	5,267	290	290	5,847
Insurance	3,213	1,846	178	5,237	3,097	1,839	172	5,108
Miscellaneous	218	3,734	2,075	6,027	288	2,739	2,415	5,442
Occupancy	83,259	4,626	4,624	92,509	71,806	3,989	3,989	79,784
Office expense	25,127	1,791	1,548	28,466	15,819	462	46	16,327
Postage and shipping	4,345	225	784	5,354	2,334	84	551	2,969
Recruitment	2,293	120	-	2,413	1,768	-	-	1,768
Supplies	21,777	305	319	22,401	12,116	1,499	226	13,841
Technical support	2,500	-	-	2,500	-	3,120	-	3,120
Telephone and internet usage	8,124	547	445	9,116	7,826	519	512	8,857
Training	14,885	519	518	15,922	8,291	-	40	8,331
Transportation	5,445	-	-	5,445	7,434	-	-	7,434
Travel	3,374	538	128	4,040	3,328	404	203	3,935
Uniforms	4,711	-	-	4,711	2,838	-	-	2,838
Volunteer incentives and stipends	90,661	103	300	91,064	128,523	53	-	128,576
Total Functional Expenses	\$ 1,988,952	\$ 139,668	\$ 194,558	\$ 2,323,178	\$ 2,211,992	\$ 170,618	\$ 211,966	\$ 2,594,576

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

GENERATIONS INCORPORATED
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 205,162	\$ (21,642)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	8,135	10,997
Changes in assets and liabilities		
(Increase) Decrease in:		
Accounts receivable	(107,635)	(19,937)
Unconditional promises to give	(90,000)	25,000
Grants and contributions receivable	-	7,500
Prepaid expenses	122	(409)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(12,431)	3,406
Net Cash Provided by Operating Activities	<u>3,353</u>	<u>4,915</u>
 Cash Flows from Investing Activities		
Purchase of equipment	<u>(3,853)</u>	-
Net Cash Used in Investing Activities	<u>(3,853)</u>	-
 Net Increase in Cash	(500)	4,915
 Cash, Beginning	<u>70,187</u>	<u>65,272</u>
 Cash, Ending	<u>\$ 69,687</u>	<u>\$ 70,187</u>
 Supplemental disclosures of cash flows information		
Cash paid during the year for		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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 2010, 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, 2011 AND 2010

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, 2011 AND 2010

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 5, 2011 which is the date the financial statements were available to be issued.

Note 2 - Unconditional Promises to Give

During 2011, the Organization received \$90,000 in pledges to fund classroom literacy programs. Unconditional promises to give as of June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Classroom literacy	\$ 90,000	\$ -
Total gross unconditional promises to give	<u>\$ 90,000</u>	<u>\$ -</u>
Receivable in less than one year	\$ 35,000	\$ -
Receivable in more than one year	55,000	-
Total Unconditional Promises to Give	<u>\$ 90,000</u>	<u>\$ -</u>

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

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, 2011 (with comparative totals as of June 30, 2010) are as follows:

	Program Services	Management and General	Fundraising	2011 Totals	2010 Totals
AmeriCorps Volunteers	\$ 388,939	\$ -	\$ -	\$ 388,939	\$ 252,370
Experience Corps Volunteers	100,098	-	-	100,098	234,663
Volunteers in Service to America	83,226	13,574	30,954	127,754	261,920
Other Volunteers	-	-	-	-	56,767
Books	347	-	-	347	2,260
Office Furnishings	-	4	-	4	1,250
Recruitment, Training and Volunteer Incentives	9,243	514	513	10,270	911
Supplies	9,468	-	-	9,468	2,160
Consultant/Technology	22,750	3,825	1,125	27,700	139,518
Advertising	-	-	-	-	10,155
Miscellaneous	-	-	-	-	53
Totals	<u>\$ 614,071</u>	<u>\$ 17,917</u>	<u>\$ 32,592</u>	<u>\$ 664,580</u>	<u>\$ 962,027</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, 2011 AND 2010

Note 5 - Commitments

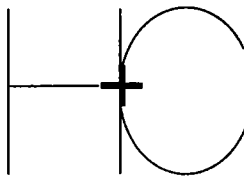
The Organization estimates that its minimum future rent commitment under the lease is as follows:

Year Ending June 30,	
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	\$ 233,041
Payroll taxes and benefits	3,487
Recruitment	60
Training	2,680
Volunteer incentives	9,331
Total VISTA Expenses	<u>\$ 248,599</u>



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Certified Public Accountants

David J. McCaughin, CPA
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INDEPENDENT AUDITORS' 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, 2011, and have issued our report thereon dated October 5, 2011. 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 *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 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

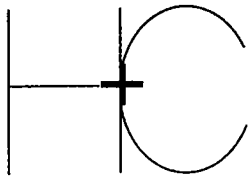
Compliance and Other Matters

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, 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 5, 2011



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Certified Public Accountants

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

INDEPENDENT AUDITORS' 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 Generations Incorporated's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Generation Incorporated's major federal programs for the year ended June 30, 2011. 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 auditing standards generally accepted in the United States of America; 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 to determine the 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 Circular 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 was not designed to identify all deficiencies in internal control over compliance 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 5, 2011

GENERATIONS INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 311,986
Pass-Through Programs From:			
Mass Service Alliance:			
Americorps	94.003	06AFHMA0010006	245,452
Experience Corp:			
Americorps National Direct	94.006	09NDHDC005	208,492
Total Corporation for National Community Service			<u>765,930</u>
<u>Office of Juvenile Justice and Delinquency Prevention</u>			
Pass-Through Programs From:			
Experience Corps	16.726	2009-JU-FX-0063	<u>199,451</u>
<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	03OSERE1A	25,221
Total U. S. Department of Education			<u>25,221</u>
<u>U. S. Department of Housing and Urban Development</u>			
Pass-Through Programs From:			
City of Boston - Economic Development Industrial Corporation:			
Community Development Block Grant	14.218	DNDC11001	<u>25,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,015,602</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, 2011

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, 2011 AND 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Generations Incorporated.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' 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 significant deficiencies relating to the audit of major federal award programs are reported in the *Independent Auditors' 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 National Direct
 - c. CFDA #94.003 - Americorps State
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, 2010 report.