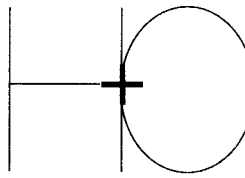


GENERATIONS INCORPORATED
FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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, 2009 and 2008, 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, 2009 and 2008, 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 December 9, 2009, 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, 2009 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
December 9, 2009

GENERATIONS INCORPORATED
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets		
Cash	\$ 65,272	\$ 56,513
Accounts receivable, net of allowance for uncollectibles	35,413	26,707
Unconditional promises to give (Note 2)	25,000	51,000
Grants and contributions receivable	8,000	16,550
Prepaid expenses	3,495	3,456
Total Current Assets	137,180	154,226
Property and Equipment		
Furniture, fixtures and equipment	71,968	69,453
Less accumulated depreciation	(46,871)	(34,843)
Property and Equipment, Net	25,097	34,610
Other Assets		
Security deposit	17,850	17,850
Long-term unconditional promises to give (Note 2)	-	25,000
Total Other Assets	17,850	42,850
Total Assets	\$ 180,127	\$ 231,686
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 61,412	\$ 57,407
Total Current Liabilities	61,412	57,407
Net Assets		
Unrestricted	78,715	67,279
Temporarily Restricted	40,000	107,000
Total Net Assets	118,715	174,279
Total Liabilities and Net Assets	\$ 180,127	\$ 231,686

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

GENERATIONS INCORPORATED
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Changes in Unrestricted Net Assets		
Support and Revenue		
Federal Funding		
Americorps	\$ 567,195	\$ 400,446
Supplemental Education Services	32,912	38,163
Mentoring	-	201,244
Other	-	25,000
Total Federal Funding	<u>600,107</u>	<u>664,853</u>
State funding	49,259	-
Corporate and private foundation grants	607,817	512,000
Contributions and gifts	74,629	72,057
Special Events		
Revenue - Cash	88,378	7,735
Revenue - In Kind	18,260	2,012
Expenses - Cash	(4,009)	(1,091)
Expenses - In Kind	<u>(18,260)</u>	<u>(1,322)</u>
Special Events, net	84,369	7,334
In-kind donations (Note 3)	843,365	833,121
Training and participation fees	165,047	46,660
Book sales	-	4,471
Interest income	53	45
Total Unrestricted Support and Revenue	<u>2,424,646</u>	<u>2,140,541</u>
Net Assets Released from Restrictions		
Corporate and private foundation grants	<u>82,000</u>	<u>310,000</u>
Total Unrestricted Support, Revenue and Reclassifications	<u>2,506,646</u>	<u>2,450,541</u>
Expenses		
Program services	2,187,171	2,069,157
Management and general	95,090	129,424
Fundraising	<u>212,949</u>	<u>228,045</u>
Total Expenses	<u>2,495,210</u>	<u>2,426,626</u>
Increase in Unrestricted Net Assets	<u>11,436</u>	<u>23,915</u>
Changes in Temporarily Restricted Net Assets		
Corporate and private foundation grants	15,000	106,000
Net assets released from restrictions		
Expiration of time restrictions	<u>(82,000)</u>	<u>(310,000)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(67,000)</u>	<u>(204,000)</u>
Change in Net Assets	(55,564)	(180,085)
Net Assets, Beginning	<u>174,279</u>	<u>354,364</u>
Net Assets, Ending	<u>\$ 118,715</u>	<u>\$ 174,279</u>

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

GENERATIONS INCORPORATED
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2009 AND 2008

	Program Services	Management and General	Fundraising	2009 Total	Program Services	Management and General	Fundraising	2008 Total
Salaries, wages and stipends	\$ 1,680,998	\$ 53,930	\$ 166,736	\$ 1,901,664	\$ 1,475,686	\$ 88,535	\$ 195,158	\$ 1,759,379
Payroll taxes	45,912	3,517	7,973	57,402	47,464	7,122	10,185	64,771
Employee benefits	56,485	11,185	1,923	69,593	55,235	6,590	2,041	63,866
Advertising	956	215	5,032	6,203	4,634	667	2,550	7,851
Auditing fees	12,600	700	700	14,000	10,440	580	580	11,600
Bad debts	10,000	3,010	18	13,028	-	-	-	-
Bank and credit card charges	89	80	656	825	-	-	463	463
Conferences, conventions and meetings	144	828	182	1,154	353	681	30	1,064
Consultants	10,580	4,712	20,030	35,322	-	10,665	913	11,578
Depreciation	10,826	601	601	12,028	12,418	690	690	13,798
Dues and subscriptions	160	1,313	298	1,771	50	2,074	290	2,414
Equipment rental and maintenance	5,938	330	330	6,598	5,866	366	326	6,558
Grants	-	-	-	-	86,614	-	-	86,614
Insurance	763	4,203	42	5,008	2,928	1,882	143	4,953
Miscellaneous	53	2,203	1,744	4,000	1,235	1,572	6,240	9,047
Occupancy	83,322	4,629	4,629	92,580	73,866	4,104	4,104	82,074
Office expense	362	269	14	645	549	576	28	1,153
Postage and shipping	1,954	92	964	3,010	1,439	224	668	2,331
Printing and publications	-	-	-	-	550	-	-	550
Recruitment	1,856	-	-	1,856	7,589	-	-	7,589
Supplies	17,090	655	242	17,987	14,383	763	210	15,356
Telephone and internet usage	9,845	557	557	10,959	10,218	1,123	568	11,909
Training	7,081	175	80	7,336	8,615	381	301	9,297
Transportation	11,446	-	-	11,446	10,324	-	-	10,324
Travel	1,353	1,686	54	3,093	2,898	401	46	3,345
Uniforms	4,961	-	-	4,961	2,038	-	-	2,038
Volunteer incentives and stipends	212,397	200	144	212,741	233,765	428	2,511	236,704
Total Functional Expenses	\$ 2,187,171	\$ 95,090	\$ 212,949	\$ 2,495,210	\$ 2,069,157	\$ 129,424	\$ 228,045	\$ 2,426,626

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

GENERATIONS INCORPORATED
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (55,564)	\$ (180,085)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	12,028	13,798
Changes in assets and liabilities (Increase) Decrease in:		
Accounts receivable	(8,706)	115,628
Unconditional promises to give	51,000	124,000
Grants and contributions receivable	8,550	(14,050)
Prepaid expenses	(39)	12,348
Increase (Decrease) in:		
Accounts payable and accrued expenses	4,005	(12,625)
Net Cash Provided by Operating Activities	<u>11,274</u>	<u>59,014</u>
 Cash Flows from Investing Activities		
Purchase of equipment	<u>(2,515)</u>	<u>(10,825)</u>
Net Cash Used in Investing Activities	<u>(2,515)</u>	<u>(10,825)</u>
 Net Increase in Cash	8,759	48,189
 Cash, Beginning	<u>56,513</u>	<u>8,324</u>
 Cash, Ending	<u>\$ 65,272</u>	<u>\$ 56,513</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, 2009 AND 2008

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 has established the following primary program services:

- (a) The **Reading Coaches** program joins older adults with children who are reading below grade level in weekly mentoring sessions focused on reading comprehension. In 2008, a rigorous evaluation of the program showed that students in the test group showed greater improvements in reading comprehension than control group students.
- (b) The **Lunchtime Mentoring** program pairs caring older adults with 4th or 5th grade students who will benefit from having a trusting mentor. Weekly mentoring sessions focus on literacy and character development while also making learning fun. This program can take place during the school day or in after-school settings.
- (c) The **Classroom Literacy** program brings trained older adults into elementary school classrooms. Twice each week, they work with children in small groups 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.
- (d) The **Generations Incorporated VISTA** program places VISTA members in Massachusetts based non-profit organizations. All members are placed in organizations who 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 who help children to succeed as they are learning to read);
 - 3. Civic engagement.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting, whereby assets, liabilities, revenues and expenses were recognized and recorded when earned or incurred.

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

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

Financial Statement Presentation

The Organization presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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

The Organization reports contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Under SFAS No. 116, 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, 2009 AND 2008

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 in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, 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.

Note 2 - Unconditional Promises to Give

During 2009, the Organization received pledges to fund various programs. Unconditional promises to give as of June 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Kindergarten program	\$ 10,000	\$ 25,000
Classroom literacy	15,000	30,000
General support	-	6,000
Tutors	-	15,000
Total gross unconditional promises to give	<u>25,000</u>	<u>76,000</u>
Less: unamortized discount	-	-
Net unconditional promises to give	<u>\$ 25,000</u>	<u>\$ 76,000</u>
Receivable in less than one year	\$ 25,000	\$ 51,000
Receivable in one to five years	-	25,000
Total Unconditional Promises to Give	<u>\$ 25,000</u>	<u>\$ 76,000</u>

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

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, 2009 (with comparative totals as of June 30, 2008) are as follows:

	Program Services	Management and General	Fundraising	2009 Totals	2008 Totals
AmeriCorps Volunteers	\$ 187,807	\$ -	\$ -	\$ 187,807	\$ 170,972
Experience Corps Volunteers	480,189	-	-	480,189	477,485
Volunteers in Service to America	109,367	-	26,037	135,404	164,897
Commonwealth Corp. Volunteers	27,653	-	-	27,653	-
Books	4,448	-	-	4,448	2,961
Office Furnishings	-	-	-	-	5,618
Recruitment, Training and Volunteer Incentives	4,767	144	144	5,055	8,145
Supplies	2,445	-	-	2,445	677
Miscellaneous	-	364	-	364	2,366
Totals	<u>\$ 816,676</u>	<u>\$ 508</u>	<u>\$ 26,181</u>	<u>\$ 843,365</u>	<u>\$ 833,121</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.

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.

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

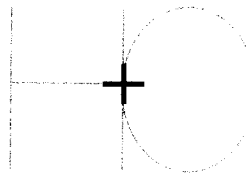
Year Ending June 30,	
2010	\$ 80,346

GENERATIONS INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008

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 sub-grantee 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	\$ 164,577
Postage	11
Training	4,507
Volunteer incentives	9,859
Total VISTA Expenses	<u>\$ 178,954</u>



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Certified Public Accountants

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Member of the Massachusetts Society of Certified Public Accountants

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, 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, 2009. 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, 2009.

To the Board of Directors
Generations Incorporated
Boston, Massachusetts

Internal Control Over Compliance

The 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, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

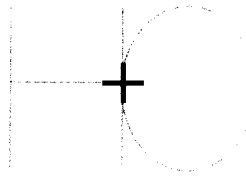
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 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
December 9, 2009



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Certified Public Accountants

CPA
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 as of and for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009. 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 *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

To the Board of Directors
Generations Incorporated
Page two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting 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 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.

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
December 9, 2009

GENERATIONS INCORPORATED
 SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

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	94.006		\$ 318,184
Pass-Through Programs From:			
Mass Service Alliance:			
Americorps	94.013	06AFHMA0010006	249,011
Total Corporation for National Community Service			<u>567,195</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	25678	32,912
Total U. S. Department of Education			<u>32,912</u>
Total Expenditures of Federal Awards			<u>\$ 600,107</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, 2009

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, 2009 AND 2008

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 #94.006 - Americorps* VISTA
 - b. CFDA #94.013 - 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, 2008 report.