



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Civic Development Group, LLC and
Disabled Veterans Association

We have audited the Statement of Fundraising Collections and Expenses - Modified Cash Basis of the Fundraising Center Operations of Disabled Veterans Association, a corporation (the "Association"), for the period from August 1, 2005 (inception of a fundraising campaign) to April 30, 2006. The fundraising campaign is the result of a Professional Management Consulting Agreement ("PMC Agreement") between the Association and Civic Development Group, LLC ("CDG") dated July 11, 2005 (including amendments through April 30, 2006), as described in Note 1. The Statement of Fundraising Collections and Expenses - Modified Cash Basis is the responsibility of CDG's management pursuant to the PMC Agreement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement of Fundraising Collections and Expenses - Modified Cash Basis is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CDG's internal control over financial reporting of the Association's fundraising center operations. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used, and significant estimates made, by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Statement of Fundraising Collections and Expenses has been prepared on the modified cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fundraising collections and expenses of Disabled Veterans Association fundraising center operations for the period August 1, 2005 (inception) through April 30, 2006.

This report is intended solely for the information of, and use by, the Board of Directors and Members of CDG and Disabled Veterans Association to be primarily used for the preparation of Internal Revenue Service Form 990 or 1120 (and state and local charity registrations, where applicable), and is not intended to be, and should not be, used by anyone other than these specified parties.

Kreinces Rollins + Shanker, LLC

Kreinces Rollins & Shanker, LLC
Rochelle Park, New Jersey
June 28, 2006

**DISABLED VETERANS ASSOCIATION
(FUNDRAISING CENTER OPERATIONS)
STATEMENT OF FUNDRAISING COLLECTIONS AND EXPENSES -
MODIFIED CASH BASIS
FOR THE PERIOD AUGUST 1, 2005 (INCEPTION) TO APRIL 30, 2006**

COLLECTIONS:	
Fundraising collections	\$ 4,504,162
EXPENSES:	
Fund drive expenses - net	<u>4,054,156</u>
EXCESS OF FUNDRAISING COLLECTIONS OVER EXPENSES	<u>\$ 450,006</u>

See Accompanying Notes to Financial Statement



INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors and Members
Civic Development Group, LLC and
Disabled Veterans Association

Our report on our audit of the Statement of Fundraising Collections and Expenses - Modified Cash Basis of Disabled Veterans Association fundraising center operations appears on pages 1 and 2. That audit was conducted for the purpose of forming an opinion on the Statement of Fundraising Collections and Expenses - Modified Cash Basis taken as a whole. The Schedule of Fund Drive Expenses - Modified Cash Basis is presented for purposes of additional analysis and for use in the preparation of Internal Revenue Service Form 990 or 1120 (and state and local charity registrations, where applicable), and is not a required part of the Statement of Fundraising Collections and Expenses - Modified Cash Basis. Such information has been subjected to the auditing procedures applied in the audit of the Statement of Fundraising Collections and Expenses - Modified Cash Basis, and, in our opinion, is fairly stated, in all material respects, in relation to the Statement of Fundraising Collections and Expenses - Modified Cash Basis taken as a whole.

Kreinces Rollins + Shanker, LLC

Kreinces Rollins & Shanker, LLC
Rochelle Park, New Jersey
June 28, 2006

**DISABLED VETERANS ASSOCIATION
(FUNDRAISING CENTER OPERATIONS)
SUPPLEMENTARY INFORMATION
SCHEDULE OF FUND DRIVE EXPENSES - MODIFIED CASH BASIS
FOR THE PERIOD AUGUST 1, 2005 (INCEPTION) TO APRIL 30, 2006**

FUND DRIVE EXPENSES:	
Compensation of officers and directors	\$ 17,692
Other salaries and wages	806,176
Other employee benefits	28,856
Payroll taxes	101,037
Supplies	4,668
Telephone	92,180
Postage and shipping	427,944
Occupancy	98,161
Equipment rental and maintenance	32,514
Printing and publications	195,330
Insurance	4,502
Payroll processing costs	5,870
Employee related costs	4,032
Regulatory	3,398
Management consultant fees	<u>2,231,796</u>
TOTAL FUND DRIVE EXPENSES	<u><u>\$ 4,054,156</u></u>

See Independent Auditors' Report on Supplementary Information