

August 8, 2009

Dear Emerald City Membership:

The Good. On behalf of the Board of Directors of the Emerald City Football Club, I am pleased to announce the results of our recent financial audit (received last Thursday); we have received AN UNQUALIFIED OPINION (i.e., CLEAN BILL OF HEALTH) from the respected, independent CPA firm of Minar and Northey. Our financial statement indicates that our club is in a strong financial position, with 2008 revenues of \$961,759, a completely balanced budget (only \$950 over) and assets in excess of \$350,000. You may view the complete financial statement on our website (www.emeraldcityfc.org – see “Club News”).

In the past 90 days, under the expert supervision of our club treasurer, Jonathan Fisher, we have implemented a new, state of the art accounting system, hired and trained a staff accountant, and now completed a comprehensive financial audit. This work has been supported by outstanding efforts from our management and bookkeeping staff of Mea, Rita and Amy. Well done!!

These accomplishments place Emerald City FC as a leading and positive example to soccer clubs throughout the state and the nation. Our next priority is to implement the remaining recommendations our auditors have made to improve our financial and management systems. Several of those recommendations have already been implemented are already in place, and we will study and strategize in the coming weeks and months how to best accomplish the remaining recommendations. The result will be a stronger and more efficient club, with improved financial and management control and oversight, of which all of our membership can be proud of.

The Bad. This has been a time consuming, costly process. It has been worthwhile to the extent that we have improved and updated some of our accounting processes, and Jonathan has done a commendable job in this time since taking command of our club finances this past spring. However, in the meanwhile, our club has been subject to unjustified rumors and allegations of financial misdealing and malfeasance, which has been harmful to our club’s reputation and its leadership. Although the audit results have proved otherwise, the reckless assertions and claims have impacted our club’s reputation.

The Ugly. These unsubstantiated allegations against our club have also been used for political purposes, particularly during the process leading to SYSA’s decision to replace Emerald City FC with Seattle United. We have been repeatedly reminded that our club is “under investigation” by Washington Youth Soccer (WYS), although the only communication received from WYS regarding this matter indicated that it was awaiting results of our financial audit. Statements have also been made suggesting that ECFC suffered an operating loss estimated to be as high as \$180,000. In fact, SYSA appropriated our club mailing list without ECFC board’s knowledge or consent to send a document containing this allegation to our entire membership. These allegations have been fully

investigated by the auditors AND FOUND TO BE UNSUBSTANTIATED. Nevertheless, this time consuming and expensive audit process was paid for by you - our membership – and the disruption to the club's operations has been substantial.

What does this mean? Well, for starters, we have a fresh start from the past years turmoil, and now know that our club is in very strong financial position with good reason to trust our current financial team to maintain our position. The current board of directors you elected in June 2009 is working well together and turning its attention to important policy and programming issues of the club. Our goal is to make Emerald City FC the most attractive club for players and coaches alike in the state. The board invites you to join us as we renew our focus on our players and the upcoming season, and fulfillment of our mission statement.

Finally, we will have more news to share in the coming weeks. We continue to explore all of our options with regard to the 2010-11 season. We have had discussions with both WYS and US Club soccer officials, as well as ongoing discussions within the Player Development League (PDL), of which ECFC is a founding member club. Please look forward to hearing about further developments. In the meanwhile, we hope you are enjoying your summer tournaments and preparation for this season's league play (just one month away)!

And, as always, please contact me with questions or comments.

Best wishes on behalf of the Emerald City FC Board of Directors,

Joe Picciano, President