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To the Board of Directors of Emerald City Football Club:

In planning and performing our audit of the financial statements of Emerald City Football Club (ECFC) as of and for the fiscal year ended March 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Emerald City Football Club's internal control over the financial reporting (internal control) 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 Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 a combination of control deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

ECFC TREASURER COMMENT:

A financial audit has two primary purposes. The first is a review of the financial statements or "books" to evaluate their accuracy. The second is to learn from that review how improve practices and procedures in the future.

In their review of fiscal 2008/09 the auditors issued an unqualified opinion, or a "clean bill of health".

Emerald City FC has not had a financial audit recently, and given our strong growth and changes over the last few years we fully expected that there would be recommendations for improvements to improve internal controls as of the balance sheet date of March 31, 2009. Our auditors have made a number of recommendations, many of which we had already started implementing, some of which may not be cost effective or appropriate for our club, and some that will require further study and Board involvement prior to implementation. I expected to receive these comments and feel that these comments represented some of the issues we faced as of March 31, 2009. They are completely normal and to be expected in any organization that has grown as rapidly as Emerald City FC has.

Improve Board of Director Financial Oversight:

During fiscal year under audit, the board was not provided financial information on a routine basis and therefore was not adequately informed of the Club's financial condition throughout the fiscal year. Without such information it is difficult for the board to make informed financial decisions when required. We recommend that the board is provided monthly financial information for their review. Such information may include but is not limited to the following: Statement of financial position, Statement of activities (budget versus actual) (month-to-date) (year-to-date), listing of checks/disbursements made since last meeting that include date, payee, and amount, accounts receivable and payable aging reports. The board should question numbers on the reports they do not understand and if requested, be provided supporting documentation.

ECFC TREASURER COMMENT:

Since taking over as treasurer we have hired a part time bookkeeper, we have moved our accounting system on to QuickBooks (including utilization of the online feature), we have successfully completed this audit, and complete financial statements are being provided at every board meeting.

Improve Board of Director General Oversight:

Board Meet Minutes: During our review of the board minutes it was observed that numerous committees were formed to carry-out certain tasks. Although the committees were authorized by the board, it was not documented as to whether these committees were authorized to legally bind the club in anyway. Under these circumstances, the committees should be reporting to the board and the board should be making the final decisions. However, if it is desired that the committees have the authority to the bind the club, this decision to delegate should be documented in the minutes. This is in accordance with by-law sections 6.2.1 Authority and 10.2 Contracts. In this case, the minutes of these committee meetings should be documented. The minutes should be published in conjunction with the board minutes. We also observed that board meeting minutes had not been published on the internet for a significant portion of the year. We

recommend that the minutes be published as soon as possible after they are approved by the board to improve transparency to its members.

ECFC TREASURER COMMENT:

The board is currently reviewing the membership, scope and authority of all committees, and a summary description of all existing committees has been prepared for review at our next board meeting. All board minutes are currently posted on the internet, but they can be made more readily accessible and will be.

Books and Records (By-Laws Article 10.6):

The by-laws of the Club state "The Club shall keep correct and complete books and records of accounts and shall also keep minutes of the proceeding of its Member, Directors and committees exercising any of the authority of the Directors..." During the audit we observed that although records existed, they were not in a central location. As such the ability to retrieve requested records was not efficient and often required searching multiple locations and storage media, delaying the ultimate delivery of the records. The by-laws of the Club further state "All book and records of the Club may be inspected by any Member or their agent or attorney, for any purposes at any reasonable time." During the review the April 7, 2009 minutes we noted that a document request had been previously submitted by members of the Club. We further noted that the documents were not provided as required by the Article 10.6 of the by-laws. The Board then discussed, moved and approved the retaining of legal counsel to guide the response to this request. In additional documentation we noted a similar request had been made in March 2008 and was also not fulfilled. We recommend that the Club follow it's own by-laws to avoid the need to seek outside counsel for routine matters such as the document requests referred to here.

ECFC TREASURER COMMENT:

I am working with our staff on improving document storage and retrieval so that we can more promptly respond to requests. We also agree with the need to develop a policy and procedures for handling such requests in the future.

Perform Fraud Risk Assessment:

A fraud risk assessment can be an informal process. It can be performed by a management-level individual who has extensive knowledge of the Club that might be used in the assessment. Ordinarily, the management-level individual would conduct interview or lead group discussions with personnel who have extensive knowledge of the Club, its environment, and its processes. The fraud risk assessment process should consider the Club's vulnerability to misappropriation of assets. When conducting the self-assessment, questions such as the following can be considered: What

individuals in the club have the opportunity to misappropriate assets? Is there any known pressure that would motivate individuals with the opportunity to misappropriate assets? What assets of the club are susceptible to misappropriation? Are there any known internal control weaknesses that would allow misappropriation of assets to occur and remain undetected? How could assets be stolen? How could potential misappropriation of assets be concealed? Once areas vulnerable to fraud have been identified, a review of the Club's systems, procedures, and existing controls relating to the identified areas should be conducted and documented. The Club should consider additional controls that need to be implemented to reduce the risk of fraud. General controls that reduce an employee's or contract worker's ability to commit fraud without detection include the following: Separation of duties amongst employees and/or contract workers, requiring periodic job rotation and mandatory vacations, preparing and reviewing monthly financial statements, reviewing monthly financial statements against the approved budget, periodic testing of transactions posted to the accounting system, periodic testing of transactions clearing the bank statement and tracing to original documents, general ledger, subsidiary ledger (if applicable), and the Bonzi system (if applicable to the transaction), external risks should be considered as part of the overall fraud risk assessment. Consideration should be given to: FDIC limits with regards to bank balances, market pressures (i.e. Seattle United), legal and other potential threats to the Club.

ECFC TREASURER COMMENT:

Since I became treasurer we have reviewed our procedures and controls and have made a number of improvements. This is an ongoing process.

Improve Control Over Cash Receipts:

Our review of the Club's procedures indicated that there is a lack of segregation of duties in the receiving, depositing and recording of cash receipts. We realize that it is difficult to separate these functions with only two people, but there are ways to improve controls. Mail should be retrieved by the business manager, checks endorsed and logged (cash receipts log) onto a prescribed form that includes payer, check amount and date, and invoices paid. If a temporarily restricted donation is received it should be noted on the log as well. This list should be compared periodically to deposit slip totals to determine that all cash has been promptly deposited intact in the company's bank account. Endorsed checks then should be forwarded to bookkeeper to prepare deposit slips and record into QuickBooks and Bonzi system. Deposits should be made daily. Monthly the business manager should review and reconcile check payments posted to Bonzi against the cash receipts log. Discrepancies should be resolved as soon as they are discovered. An alternative is to use a lockbox service whereby all checks are mailed to a bank lockbox. This would eliminate multiple steps as the bank would make the deposit, the daily cash receipts log, and supply copies of supporting documentation to

the bookkeeper. The overall goal is to increase segregation of duties in the processing of cash receipts.

ECFC TREASURER COMMENT:

I have changed our club procedures to improve the controls over cash receipts. All bank deposits are made in a timely manner.

Improve Controls Over Cash Disbursements:

Now that the business manager is employed and an outside bookkeeper has been hired, segregation of duties for cash disbursement should be capitalized upon. We recommend the following enhancements to the existing procedures listed above: The business manager should initial, date and account code each invoice for evidence of review and approval. Also, the invoices when paid should be canceled accordingly. When the bookkeeper submits the list of invoices/payments due to the treasurer, a copy should be sent to both the business manager and one other person who does not have signatory authority on the bank account and has view only access to QuickBooks and the bank account. This improves transparency for paid bills and allows cross-checking amongst those charged with management and governance. Bank statements should be sent directly to the treasurer and the outside bookkeeper. The outside bookkeeper should prepare the monthly bank reconciliation. The reconciliation should be sent to the business manager and the treasurer for review. The treasurer should initial and approve the reconciliation. Monthly a list of paid bills should be submitted to the board for review and approval. The bookkeeper should be prepared to provide supporting documentation questions that may arise from this review. The board minutes should reflect the review and approval of these payments in the monthly minutes.

ECFC TREASURER COMMENT:

I have now segregated duties and implemented new controls that have made the cash disbursement system more efficient.

Improve Controls Associated over Coaches Payments and Contracts:

During the audit copies of the coach's contracts were requested. The amounts of the contracts were totaled and compared to the total payments each coach recorded in QuickBooks. Numerous discrepancies were initially identified. All discrepancies were ultimately provided reasonable explanations; however some contracts were not provided and instead were explained with "confirmed with coaching director." This explanation in conjunction with the payment made by the treasurer provided adequate substantiation of the expenditure. To improve transparency and accountability of these contract modifications we recommend, that all modifications and extension of coaching contracts documented in writing and attached to the original contract, initialed and dated by person with authority to authorize such contract amendments. Payments to coaches

should be reconciled monthly to the contracts. Contracts written for only partial years should reflect that fact within the terms via proper use of effective beginning and ending contract dates.

ECFC TREASURER COMMENT:

In addition to improving our payment system and controls the Board and staff have begun to implement a new data management system.

Improve Controls Over Reimbursed Expenses:

We recommend the use of reimbursement forms when reimbursing employees and contractors for expenses incurred on behalf of the Club. Supporting receipts should be attached behind the form and agree in total to the form total. The form should note the payee, business purpose and date. The form should be signed and dated by the person requesting reimbursement. The form should then be initialed and dated by the person with authority to approve the reimbursement. Also, a time limit for submitting expenses for reimbursement should be established.

ECFC TREASURER COMMENT:

All reimbursed expenses that have been submitted to me have been properly documented and approved, but we didn't have a standardized form. We are evaluating our reimbursement policy, and potential use of a standard form, at this time.

Improve Controls Over General Ledger:

In order to make the financial reports generated by the accounting system as meaningful as possible, the Club should reconcile the general ledger accounts for cash, accounts receivable, and accounts payable to supporting documentation on a monthly basis. A benefit of monthly reconciliation is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. Cash reconciliations are currently being performed and were discussed previously. A reconciliation of accounts receivable from the general ledger to the accounts receivable detail ledger should be prepared to check that the recording of transactions is accurate and proper and that any adjustments to or write-offs of accounts receivable have been approved. Adjustments and write-offs of account balances should be reviewed and approved by someone other than the person recording the adjustments. Additionally, these adjustments should be reviewed and compared to adjustments recorded in the Bonzi system to ensure the two systems are in balance and complete. A reconciliation of deferred revenue from the general ledger to cash receipts and the Bonzi system should be done at least annually at the fiscal year end. Attention should be given to the following areas: Checks received not posted as of the fiscal year end. These are deposits in-transit and should be recorded as such. Credit card payments received in the Bonzi system, not yet posted to

the bank statement by the fiscal year end. These are considered deposits in-transit and should be recorded as such. Reconcile payments received by season on or before the fiscal year end to the general ledger balance of deferred revenue. A reconciliation of accounts payable from the general ledger to the outstanding accounts payable register should be prepared to determine that all additions to and payment of accounts payable are correctly recorded and to determine whether there are any disputed items. During the course of the audit, we noted certain invoices were recorded to incorrect periods. We recommend that service/ship dates (not invoice dates) of invoices received should be reviewed and considered when determining that the document has been recorded in the proper period. Other accounts should be reconciled monthly prior to the board meeting. Reconciliations should be reviewed and approved by someone higher in level than the person performing the reconciliation.

ECFC TREASURER COMMENT:

Most of these issues have been addressed with the implementation of our new QuickBooks based accounting system (including online access), with the previously described segregation of duties, and our new procedures. I monitor all processing and reconciliation functions for compliance.

Improve Controls Over Financial Statement Close Process:

At March 31, 2009 we believe that significant deficiency in internal control over the financial reporting exists in the Club's financial statement close process for preparing its year-end financial statements, including (a) ineffective controls to ensure timely review of all account reconciliations and significant financial statement accounts, (b) inadequate controls to determine that financial spreadsheets are accurately calculated and protected against unauthorized changes, and (c) ineffective control over the review of the year-end financial statements. To improve the financial statement close process, we recommend that the Club (a) establish a more efficient and effective responsibilities matrix for its close process to provide timely and accurate completion of financial reporting as well as timely review and approval by the treasurer or business manager of all balance sheet reconciliations and account balances, respectively; and (b) assemble an inventory of financial spreadsheets used to support preparation of the financial statements and assign responsibility to review all such spreadsheets for accuracy of calculations and security access limitation. The Club could consider preparing a financial closing checklist as a guide for efficiently and effectively executing the financial closing process.

ECFC TREASURER COMMENT:

I didn't become the Treasurer until April 28, 2009, so for the year ended March 31, 2009 I focused on satisfying the requirements of our auditors since that served as an external control over our close. With all the

previously mentioned enhancements to our accounting systems, I'm confident that our Mar 31, 2010 close will be subject to effective control.

Improve Controls over Journal Entries:

At March 31, 2009 the Club did not maintain effective controls over the validity of general ledger journal entries. Specifically, the Club has a general ledger system in which journal entries can be processed without appropriate approval. Additionally, reconciliations of the general ledger that would detect invalid journal entries were not operating effectively for certain general ledger accounts, as previously mentioned. This resulted in adjustments to the fiscal year end March 31, 2009 financial statements. We recommend the Club establish policies and procedures related to journal entries.

ECFC TREASURER COMMENT:

Our improved accounting systems will eliminate this issue.

Improve Controls Over Accounting Records:

During the audit numerous documents were requested for review. Although the documents were ultimately provided to us, it was apparent that the documents were not readily accessible in one central location. We recommend that all accounting records, whether kept physically in files or digitally, be maintained in one location. Furthermore the documents should be consistently filed in such a manner as to allow easy retrieval.

ECFC TREASURER COMMENT:

As previously mentioned, we are currently working on this.

This communication is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

ECFC TREASURER COMMENT:

Please respect this request for confidentiality. Auditors don't like to see their work subject to unauthorized distribution. I would strongly suggest that persons outside the auditing or accounting professions seek the advice of an auditor or accountant before coming to any conclusions regarding these recommendations.

**Minar and Northey, LLP
Seattle, Washington**

August 3, 2009