

**EMERALD CITY FOOTBALL CLUB
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
MARCH 31, 2009**

EMERALD CITY FOOTBALL CLUB
For The Fiscal Year Ended March 31, 2009
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Board of Directors
Emerald City Football Club

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of Emerald City Football Club, (a nonprofit organization) as of March 31, 2009, and the related statements of activities and cash flows for the fiscal year 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 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 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 audit provides 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 Emerald City Football Club as of March 31, 2009 and the changes in its net assets and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.


MINAR AND NORTHEY LLP

August 3, 2009

**EMERALD CITY FOOTBALL CLUB
STATEMENT OF FINANCIAL POSITION
For The Fiscal Year Ended March 31, 2009**

ASSETS

CURRENT ASSETS

Cash	\$ 72,847
Certificates of deposit	250,000
Accounts receivable net of allowance	30,074
Advances	3,600
Prepaid expenses	1,119
Total current assets	<u>357,640</u>

OTHER ASSETS

Deposit	<u>975</u>
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TOTAL ASSETS **\$358,615**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 37,308
Deferred revenue	60,175
Payroll taxes payable	2,808
Total current liabilities	<u>100,291</u>

NET ASSETS

Unrestricted	215,913
Temporarily restricted	42,411
Total net assets	<u>258,324</u>

TOTAL LIABILITIES AND NET ASSETS **\$358,615**

See notes to financial statements.

**EMERALD CITY FOOTBALL CLUB
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended March 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT			
Club registration fees	\$859,255	\$ -	\$859,255
Camps and equipment fees	38,077	-	38,077
Donations	-	52,356	52,356
Miscellaneous income	11	-	11
Interest income	12,060	-	12,060
Net assets released from restrictions	<u>40,565</u>	<u>(40,565)</u>	<u>-</u>
Total revenue and other support	<u>949,968</u>	<u>11,791</u>	<u>961,759</u>
EXPENSES			
Coaching expense	639,603	-	639,603
Field rentals	61,851	-	61,851
Referee expense	38,994	-	38,994
Players and team fees	43,966	-	43,966
Training programs and camps	16,803	-	16,803
Team equipment	30,112	-	30,112
Uniform expense	6,083	-	6,083
Events and tournaments	3,578	-	3,578
Try-out expense	1,311	-	1,311
Scholarship expense	40,565	-	40,565
Continuing education	1,925	-	1,925
Salaries and wages - Business Manager	13,362	-	13,362
Payroll taxes	1,227	-	1,227
Bookkeeping expense	13,883	-	13,883
Registrar expense	3,500	-	3,500
Rent expense	3,508	-	3,508
Telephone	613	-	613
Office supplies and expense	9,860	-	9,860
Professional expense	4,050	-	4,050
Bank charges and discounts	15,303	-	15,303
Miscellaneous expense	1,737	-	1,737
Contribution	10,000	-	10,000
Bad debts	875	-	875
Total expenses	<u>962,709</u>	<u>-</u>	<u>962,709</u>
CHANGE IN NET ASSETS	(12,741)	11,791	(950)
NET ASSETS - APRIL 1, 2008	<u>228,654</u>	<u>30,620</u>	<u>259,274</u>
NET ASSETS - MARCH 31, 2009	<u>\$215,913</u>	<u>\$42,411</u>	<u>\$258,324</u>

See notes to financial statements.

**EMERALD CITY FOOTBALL CLUB
STATEMENT OF CASH FLOWS
For The Fiscal Year Ended March 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (950)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Increase or decrease in assets and liabilities:	
Accounts receivable net of allowance	(20,401)
Advances	(3,600)
Prepaid expense	2,978
Deposit	(975)
Accounts payable	(6,850)
Deferred revenue	(219,835)
Payroll taxes payable	2,808
Net cash used by operating activities	<u>(246,825)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(831,000)
Redemption of certificates of deposit	<u>653,152</u>
Net cash used by investing activities	<u>(177,848)</u>
DECREASE IN CASH	(424,673)
CASH - APRIL 1, 2008	<u>497,520</u>
CASH - MARCH 31, 2009	<u>\$ 72,847</u>

See notes to financial statements.

**EMERALD CITY FOOTBALL CLUB
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Emerald City Football Club (ECFC) is the official premier soccer program of the Seattle Youth Soccer Association (SYSA). ECFC was formed in 1979 to bring select soccer to the youth of Seattle, Washington. The ECFC mission is to develop each of their players to his or her fullest potential, competing at the highest possible level while demonstrating exemplary teamwork, sportsmanship and a passion for the game. ECFC is located in Seattle, Washington.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ECFC are classified as unrestricted or temporarily restricted. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those that are subject to donor-imposed stipulations, that will be met by actions of ECFC. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONTRIBUTIONS

Contributions received are recorded as unrestricted or temporarily restricted net assets depending on the existence of any donor restrictions.

CLUB REGISTRATION FEES AND DEFERRED REVENUE

Club registration fees are recognized during the corresponding soccer season. Players may pay their registration fees in advance of the season and the deferred revenue liability represents these payments.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**EMERALD CITY FOOTBALL CLUB
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE

ECFC receivables are player registration fees payable for the 07/08 and 08/09 soccer seasons. ECFC records a provision for club registration fees that may not be fully collectible as determined by management's best estimate. As of March 31, 2009, the allowance for doubtful accounts totaled \$20,000.

PROPERTY AND EQUIPMENT

The Club's policy is to expense immaterial property and equipment purchases.

INCOME TAXES

ECFC is a tax exempt organization under Internal Revenue Code 501(c)(3) and therefore have made no provision for Federal income taxes. ECFC prepares its federal income tax return on the cash basis of accounting.

NOTE 2 - CERTIFICATES OF DEPOSIT

Investments in certificates of deposit totaling \$250,000 at March 31, 2009 were as follows:

<u>Certificate Description</u>	<u>Total</u>
2.75%, matured May 2009	\$ 50,000
3.44%, maturing November 2009	95,250
3.44%, maturing November 2009	9,500
3.44%, maturing November 2009	<u>95,250</u>
	<u>\$250,000</u>

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose at March 31, 2009

Scholarship fund	<u>\$42,411</u>
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NOTE 4 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were release from restrictions by incurring expenses satisfying the restricted purposes as follows:

Purpose restriction accomplished:	
Scholarship expense	<u>\$40,565</u>

**EMERALD CITY FOOTBALL CLUB
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DONATED SERVICES

Many volunteers have donated their time to ECFC. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles in the United States of America have not been satisfied.

NOTE 6 - AFFILIATIONS

ECFC is affiliated with SYSA as its premier soccer program. During the fiscal year ended March 31, 2009, ECFC paid \$93,270 to SYSA for various expenses associated with their premier soccer program.

NOTE 7 - OPERATING LEASE COMMITMENT

As of June 5, 2009, ECFC share a one year lease commitment with SYSA for meeting rooms. The lease term began July 1, 2009 and terminates June 30, 2010. Total annual rent will be \$17,640 of which ECFC is responsible for \$8,820.