

Steve Duncan, CPA PLLC

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December 9, 2008

Mr. Robert Cravens
Audit/Financial Review Committee
Webster Presbyterian Church
201 West Nasa Parkway
Webster, Texas 77598

Dear Mr. Cravens:

Thank you for your request for a proposal for an audit/review of Webster Presbyterian Church. I will include a proposal for services that I believe will best meet the needs of the Church. The proposal will differ from the Committee's request for an audit/review. I will explain my reasons below.

As you know, I was Treasurer of Webster Presbyterian Church from January, 1988 until June, 1994. In addition to the duties of the Treasurer as set forth within the Church, I also assisted in the implementation of the ACS accounting software and was heavily involved in the set up and preparation of the monthly financial statements. I have been in the practice of public accountancy for more than 20 years, serving primarily individual and small business clients. Experience within the not-for profit sector includes reviews of tax-exempt organizations and preparation of their IRS form 990, audits of homeowner associations, and serving on the Board of Directors for a homeowners association and tax-exempt charitable organization

I will submit a proposal for an operational review of the financial accounting and reporting process. This operational review will include development of documentation and procedures (or modification of existing) for the implementation of the internal audit as described in section 10.04.01(d) of the Book of Order. I will also work with one or more committee members during the conduct of the internal audit. The purpose of this review is to assist the Church in the implementation of this internal audit function so this information can be used annually on a forward basis. My proposal will be submitted separately from this letter.

This proposal differs from an audit in accordance with generally accepted auditing standards (GAAS) which includes an expression of an opinion on the financial statements taken as a whole as to whether they are prepared in accordance with generally accepted accounting principles. It also differs from a review of financial statements in accordance with Statements on Standards for Accounting and Review Services ("SSARS") issued by the American Institute of Certified Public Accountants. A review in accordance with SSARS consists primarily of inquires of company personnel and analytical procedures applied to financial data. A review does not contemplate obtaining

an understanding of internal control or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and other procedures performed in an audit. Thus, I believe that a review in accordance with SSARS does not best meet the needs of the Church. In a review, a significant amount of time will be devoted to the preparation of the year end statements in accordance with Generally Accepted Accounting Principles (by the Treasurer and Committee) and less time reviewing and assessing the adequacy of the financial accounting and reporting processes and procedures.

An audit in accordance with generally accepted auditing standards may serve the Church's needs except for the fact that it will be more time consuming for the volunteers and likely expensive.

I look forward to working with members of the Webster Presbyterian Church again.

Sincerely,

A handwritten signature in black ink that reads "Steve Duncan". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Steve Duncan CPA

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December 9, 2008

Mr. Robert Cravens
Audit/Financial Review Committee
Webster Presbyterian Church
201 West Nasa Parkway
Webster, Texas 77598

Dear Mr. Cravens:

Proposal for Operational Review of the Accounting and Financial Reporting Policies

I will provide an operational review of the Accounting and Financial Reporting Policies of the Webster Presbyterian Church. The purpose of the review is to assist the Church in the implementation of the internal audit function according to section 10.04.01(d) of the Book of Order. I will work with members of the Audit/Review Committee during the review process and I will deliver a report of findings and recommendations to the Committee. However, in order to meet the requirements of the Book of Order, the Committee is primarily responsible for any reporting made to Session.

I will assist the Committee with the review which will include a review of the safeguarding of assets, separation of duties, general internal control review, test of key controls, tests of transactions and tests of the financial reporting process. In addition, I will work with the Committee to develop documentation and procedures for the implementation of the internal audit as described in the Book of Order. I will not perform an audit of the financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. I will also not perform a review in accordance with Statements on Standards for Accounting and Review Services (AICPA) which consists primarily of inquiries of company personnel and analytical procedures applied to financial data. Thus, I will not issue a review report.

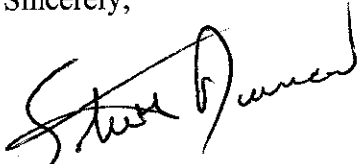
All work performed by my firm in this engagement will be performed by myself. I anticipate a start date in mid-December and completion by late February. This takes into account the extremely busy time for accounting and budgeting at WBP that takes place immediately before and after year end.

WPC is responsible for providing assistance for this operational review including providing data for review or answers to inquiries.

My fees for these services will be \$1,000 and include approximately a 40% discount and are payable with a progress billing of \$500, approximately halfway through the engagement and the final amount due at completion.

If this meets with your approval, I will prepare and send an engagement letter confirming the details.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Duncan". The signature is written in a cursive style with a large, sweeping initial "S".

Steve Duncan CPA