Batts Morrison Wales & Lee

CPAs for Nonprofits

River Pointe Community Church

Financial Statements

For The Years Ended March 31, 2026 and 2025

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
River Pointe Community Church
Richmond, Texas

Opinion
We have audited the accompanying financial statements of River Pointe Community Church ("the Church"), which consist of the statements of financial position as of March 31, 2026 and 2025, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Pointe Community Church as of March 31, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Church's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Church's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Plano, Texas
August 19, 2026

RIVER POINTE COMMUNITY CHURCH
STATEMENTS OF FINANCIAL POSITION

ASSETS

	March 31, 2026	March 31, 2025
ASSETS		
Cash and cash equivalents	$ 6,917,009	$ 6,039,460
Cash designated for long-term purposes	1,220,433	1,017,620
Cash restricted for long-term purposes	2,064,077	2,280,393
Other assets	271,075	923,370
Property and equipment, net	50,963,759	52,908,326
Total assets	**$ 61,436,353**	**$ 63,169,169**

LIABILITIES AND NET ASSETS

	2026	2025
LIABILITIES		
Accounts payable and accrued expenses	$ 423,351	$ 660,508
Note payable	6,044,200	6,387,999
Interest rate swap contract, at estimated fair value	25,442	26,914
Total liabilities	**6,492,993**	**7,075,421**
NET ASSETS		
Without donor restrictions		
Undesignated	3,099,667	3,305,759
Designated	3,444,491	2,797,136
Net investment in property and equipment	44,919,559	46,520,327
Total without donor restrictions	51,463,717	52,623,222
With donor restrictions	3,479,643	3,470,526
Total net assets	**54,943,360**	**56,093,748**
Total liabilities and net assets	**$ 61,436,353**	**$ 63,169,169**

RIVER POINTE COMMUNITY CHURCH
STATEMENTS OF ACTIVITIES

	For The Years Ended March 31,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS						
Contributions	$ 9,766,408	$ 1,703,655	$ 11,470,063	$ 9,487,469	$ 1,665,931	$ 11,153,400
Other revenue	3,006,207	—	3,006,207	2,539,011	—	2,539,011
Net assets released from restrictions	1,694,538	(1,694,538)	—	5,266,366	(5,266,366)	—
Total public support and revenue and net assets released from restrictions	**14,467,153**	**9,117**	**14,476,270**	**17,292,846**	**(3,600,435)**	**13,692,411**
EXPENSES						
Program activities	13,258,591	—	13,258,591	13,297,862	—	13,297,862
Supporting activities	2,369,539	—	2,369,539	2,239,979	—	2,239,979
Total expenses	**15,628,130**	**—**	**15,628,130**	**15,537,841**	**—**	**15,537,841**
CHANGE IN NET ASSETS BEFORE OTHER CHANGE	**(1,160,977)**	**9,117**	**(1,151,860)**	**1,755,005**	**(3,600,435)**	**(1,845,430)**
Change in estimated fair value of interest rate swap contract	1,472	—	1,472	(87,809)	—	(87,809)
CHANGE IN NET ASSETS	**(1,159,505)**	**9,117**	**(1,150,388)**	**1,667,196**	**(3,600,435)**	**(1,933,239)**
NET ASSETS - Beginning of year	**52,623,222**	**3,470,526**	**56,093,748**	**50,956,026**	**7,070,961**	**58,026,987**
NET ASSETS - End of year	**$ 51,463,717**	**$ 3,479,643**	**$ 54,943,360**	**$ 52,623,222**	**$ 3,470,526**	**$ 56,093,748**

The Accompanying Notes are an Integral
Part of These Financial Statements

RIVER POINTE COMMUNITY CHURCH

STATEMENTS OF CASH FLOWS

	For The Years Ended March 31, 2026	2025
OPERATING CASH FLOWS		
Cash received from contributors	$ 10,781,501	$ 10,118,996
Other revenue received	3,059,276	2,567,120
Cash paid for operating activities and costs	(13,243,611)	(12,919,476)
Interest paid	(339,506)	(360,689)
Net operating cash flows	**257,660**	**(594,049)**
INVESTING CASH FLOWS		
Net proceeds from sale of property and equipment	844,388	—
Purchases of and improvements to property and equipment	(582,765)	(3,969,466)
Net investing cash flows	**261,623**	**(3,969,466)**
FINANCING CASH FLOWS		
Proceeds from contributions restricted for investment in property and equipment and debt retirement	688,562	1,034,404
Principal repayments	(343,799)	(326,001)
Net financing cash flows	**344,763**	**708,403**
NET CHANGE IN CASH, CASH EQUIVALENTS, DESIGNATED, AND RESTRICTED CASH	**864,046**	**(3,855,112)**
CASH, CASH EQUIVALENTS, DESIGNATED, AND RESTRICTED CASH - Beginning of year	**9,337,473**	**13,192,585**
CASH, CASH EQUIVALENTS, DESIGNATED, AND RESTRICTED CASH - End of year	**$ 10,201,519**	**$ 9,337,473**
REPORTED IN THE STATEMENTS OF FINANCIAL POSITION AS FOLLOWS		
Cash and cash equivalents	$ 6,917,009	$ 6,039,460
Cash designated for long-term purposes	1,220,433	1,017,620
Cash restricted for long-term purposes	2,064,077	2,280,393
Total cash, cash equivalents, designated, and restricted cash	**$ 10,201,519**	**$ 9,337,473**
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	$ (1,150,388)	$ (1,933,239)
Adjustments to reconcile change in net assets to net operating cash flows		
Contributions restricted for investment in property and equipment and debt retirement	(688,562)	(1,034,404)
Depreciation	2,123,975	2,156,410
Net gain on sale of property and equipment	(441,031)	—
Change in other assets	652,295	399,101
Change in estimated fair value of interest rate swap contract	(1,472)	87,809
Change in accounts payable and accrued expenses	(237,157)	(269,726)
Net operating cash flows	**$ 257,660**	**$ (594,049)**

RIVER POINTE COMMUNITY CHURCH

STATEMENTS OF FUNCTIONAL EXPENSES

For The Year Ended March 31, 2026

	Program Activities	Supporting Activities	Total Expenses
Personnel costs	$ 6,716,686	$ 278,138	$ 6,994,824
Depreciation	1,932,817	191,158	2,123,975
Professional services and fees	665,714	1,021,717	1,687,431
Facilities management and non-capitalized project expenditures	1,022,082	399,247	1,421,329
Missions and outreach	980,963	—	980,963
Other	517,772	138,092	655,864
Office expense and supplies	604,586	—	604,586
Rent and lease expense	33,533	310,631	344,164
Interest	308,950	30,556	339,506
Information technology and software	239,582	—	239,582
Travel, meals, and refreshments	235,906	—	235,906
Total expenses	**$ 13,258,591**	**$ 2,369,539**	**$ 15,628,130**

For The Year Ended March 31, 2025

	Program Activities	Supporting Activities	Total Expenses
Personnel costs	$ 6,561,279	$ 272,119	$ 6,833,398
Depreciation	1,962,333	194,077	2,156,410
Professional services and fees	989,875	996,423	1,986,298
Missions and outreach	1,195,239	—	1,195,239
Facilities management and non-capitalized project expenditures	827,523	335,551	1,163,074
Office expense and supplies	565,872	—	565,872
Travel, meals, and refreshments	429,653	—	429,653
Rent and lease expense	38,703	327,418	366,121
Interest	328,227	32,462	360,689
Other	228,940	81,929	310,869
Information technology and software	170,218	—	170,218
Total expenses	**$ 13,297,862**	**$ 2,239,979**	**$ 15,537,841**

NOTE A – NATURE OF ACTIVITIES

River Pointe Community Church ("the Church") is a not-for-profit Texas corporation. The purpose of the Church is to glorify God by fulfilling the Great Commandment and the Great Commission. The Church operates three campuses in the Houston metro area – one each located in Richmond, Missouri City, and Houston, Texas.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Church recognizes cash contributions as revenue when the contributions are received by the Church. Contributions received are recorded as without or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "net assets released from restrictions."

Cash and cash equivalents

The Church considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Cash designated for long-term purposes

Cash designated for long-term purposes consists of amounts designated by the Board of Directors for capital projects and debt retirement.

Cash restricted for long-term purposes

Cash restricted for long-term purposes consist of amounts restricted by donors for capital projects and debt retirement.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Functional allocation of expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. Designated net assets consist of amounts designated by the Board of Directors for purposes further described in Note H. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

Income taxes

The Church is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from applicable state income taxes. The Church is further classified as a public charity and not a private foundation for federal tax purposes. The Church has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to determining the fair value of the interest rate swap contract and the useful lives of property and equipment. Actual results could differ from the estimates.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	March 31, 2026	March 31, 2025
Financial assets available:		
Cash and cash equivalents	$ 6,917,009	$ 6,039,460
Cash designated for long-term purposes	1,220,433	1,017,620
Cash restricted for long-term purposes	2,064,077	2,280,393
Total financial assets available within one year	10,201,519	9,337,473
Less:		
Amounts held subject to Board of Directors	(3,444,491)	(2,797,136)
Amounts restricted for long-term purposes	(2,064,077)	(2,280,393)
Net financial assets available within one year	$ 4,692,951	$ 4,259,944

The Church is primarily supported by contributions. As part of the Church's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Church's Board of Directors has designated certain amounts for purposes further described in Note H. Because of the nature of the designations, these amounts are not available for general expenditure within one year; however, the Board of Directors could make them available, if necessary. The Church also has certain assets limited to use for long-term donor-restricted purposes. Because of the nature of the restrictions, the Church must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditure within one year. The Church also has other donor-restricted net assets that are available for general expenditure within one year, because the restrictions on net assets are expected to be met by conducting the normal activities of the Church in the coming year.

Pursuant to the terms of the loan agreement described in Note F, the Church is required to maintain a certain minimum debt service coverage ratio and unrestricted cash and investments of at least $3,000,000. Such requirements may also limit the Church's financial assets available for general expenditure within one year.

Management believes the Church has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or immediate liquidity need.

NOTE D – CONCENTRATIONS

The Church maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Church has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

NOTE D – CONCENTRATIONS (Continued)

As of March 31, 2026 and 2025, the Church had approximately $1,030,000 and $2,081,000, respectively, in bank deposit accounts, not reflective of outstanding deposits or disbursements. Bank deposit accounts are federally insured up to $250,000 per financial institution.

Additionally, as of March 31, 2026 and 2025, cash and cash equivalents (including cash designated and restricted for long-term purposes) of approximately $9,095,000 and $7,300,000, respectively, were held in certain money market investment accounts at two separate financial institutions. Such amounts are not covered by federal depository or other insurance, and accordingly, are subject to the risk of loss.

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	March 31,	
Category	2026	2025
Land and land improvements	$ 18,582,214	$ 18,582,214
Buildings and improvements	47,563,272	48,026,620
Furniture, equipment, and vehicles	8,724,338	8,535,568
Construction in progress	546,405	495,776
Total property and equipment	75,416,229	75,640,178
Less: Accumulated depreciation	(24,452,470)	(22,731,852)
Net property and equipment	$ 50,963,759	$ 52,908,326

Depreciation expense amounted to $2,123,975 and $2,156,410 during the years ended March 31, 2026 and 2025, respectively.

NOTE F – NOTE PAYABLE

During a previous year, the Church entered into a promissory note payable agreement to refinance its debt. The promissory note requires varying monthly installments of principal as described in the loan documents and interest at the applicable SOFR plus a margin of 1.60% (approximately 5.27% and 6.01% as of March 31, 2026 and 2025, respectively) through the promissory note's maturity date in April 2028. The promissory note is secured by a mortgage on certain real property and is subject to certain restrictive covenants as described in the loan documents.

Interest expense amounted to $339,506 and $360,689 during the years ended March 31, 2026 and 2025, respectively.

Approximate future maturities of the Church's note payable are as follows:

Year Ending March 31,	
2027	$ 364,000
2028	385,000
2029	5,295,000
Total	$ 6,044,000

NOTE G – INTEREST RATE SWAP CONTRACT

As of March 31, 2026 and 2025, the Church was party to an interest rate swap contract with a bank to reduce the impact of changes in the variable rate of a certain note payable. The interest rate swap contract matures in April 2028. The interest rate swap contract effectively fixes the Church's interest rate exposure on the declining notional amounts totaling approximately $6,044,000 and $6,388,000 as of March 31, 2026 and 2025, respectively, to 3.79% per annum, plus certain annual fees and costs.

The estimated fair value of the interest rate swap contract was a liability of $25,442 and $26,914 as of March 31, 2026 and 2025, respectively, and is reported as "interest rate swap contract, at estimated fair value" in the accompanying statements of financial position. The value of the interest rate swap contract is calculated based on the settlement payment the Church would make to or receive from the bank to terminate the interest rate swap contract. Such calculations were based on market conditions, including prevailing interest rates, and take into consideration expectations regarding interest rate movements, the remaining terms of the agreements, and other factors.

The change in the estimated fair value of the interest rate swap contract is reported in the accompanying statements of activities, as "change in estimated fair value of interest rate swap contract." The Church is exposed to credit loss in the event of nonperformance by the other party to the interest rate swap contract. However, the Church does not anticipate nonperformance by the counterparty.

For fair value measurement purposes, the interest rate swap contract is considered a "Level 2" liability as of March 31, 2026 and 2025. "Level 2" liabilities use significant observable inputs (such as quoted prices for similar items) to measure fair value. The value of the interest rate swap liability as of March 31, 2026 and 2025, is based on amounts provided by a certain financial institution.

The carrying value of cash, cash equivalents, and note payable do not differ materially from reasonable estimates of fair value, as the terms of such instruments do not vary significantly from the assumptions that would be made in estimating fair value.

NOTE H – DESIGNATED AND DONOR-RESTRICTED NET ASSETS

Net assets were designated by the Board of Directors for the following purposes:

	March 31,	
	2026	2025
Operating reserves	$ 2,224,058	$ 1,779,516
Capital projects and debt retirement	1,220,433	1,017,620
Total designated net assets	$ 3,444,491	$ 2,797,136

Activity for net assets with donor restrictions was as follows during the year ended March 31, 2026:

	Balance April 1	Contributions	Releases	Balance March 31
Capital projects and debt retirement	$ 2,280,393	$ 688,562	$ (904,878)	$ 2,064,077
Missions	1,095,604	454,356	(520,150)	1,029,810
Other Church ministries	94,529	560,737	(269,510)	385,756
Total	$ 3,470,526	$ 1,703,655	$ (1,694,538)	$ 3,479,643

NOTE H – DESIGNATED AND DONOR-RESTRICTED NET ASSETS (Continued)

Activity for net assets with donor restrictions was as follows during the year ended March 31, 2025:

	Balance April 1	Contributions	Releases	Balance March 31
Capital projects and debt retirement	$ 5,758,360	$ 1,034,404	$ (4,512,371)	$ 2,280,393
Missions	1,251,979	432,543	(588,918)	1,095,604
Other Church ministries	60,622	198,984	(165,077)	94,529
Total	$ 7,070,961	$ 1,665,931	$ (5,266,366)	$ 3,470,526

NOTE I – RETIREMENT PLAN

The Church maintains a 403(b) retirement plan (“the Plan”) for the benefit of its employees. Eligible employees may make elective deferral contributions to the Plan. Employer contributions to the Plan are discretionary. The Church contributed approximately $218,000 and $177,000 to the Plan during the years ended March 31, 2026 and 2025, respectively.

NOTE J – SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2026, the Church entered into an agreement to sell certain real property to an unrelated party for approximately $18,000,000. The Church expects to recognize the impact of the sale in its future financial statements upon final execution of the sales agreement.

The Church has evaluated for possible financial reporting and disclosure subsequent events through August 19, 2026, the date as of which the financial statements were available to be issued.