

HAYESBARTON

UNITED METHODIST CHURCH

2026 FINANCIAL REVIEW MINISTRY IMPACT & STEWARDSHIP REPORT

FROM THE COMMITTEE

February 20, 2026

Dear Hayes Barton Church Family,

It is a privilege to serve on the Hayes Barton UMC Finance Committee. Our charter is to be faithful stewards of the congregation's contributions. We take that charter seriously and strive to use your funds to build up our church and community.

As a group, the Finance Committee meets six times a year to provide oversight and direction for the church's finances. Each member also serves on subcommittees, with additional meetings to provide specific directions on budgeting, audit reviews, capital needs, and communications.

Hayes Barton operates on a calendar-year budget, and we typically finalize our budget by the end of the first quarter. This year, we finalized the budget in January and had it approved by the Church Council on January 27, 2026.

We are pleased to share the 2025 ministry impact and stewardship update, as well as the 2026 financial plan.

Lee Ragsdale,
Finance Committee Chair



2026 FINANCE COMMITTEE

Leigh Barnhill
Amanda Brandon
Kennon Briggs
Henry Campen
Zach Clayton

Michael Constantino
Stuart Guidry
Dudley Gwaltney
Barrett Hughes
Carey Hunter

Henry Jones
Miriam Lang
Tyler Morris
Matt Phipps
Susan Weaver

EXECUTIVE SUMMARY

The 2026 Financial Update provides a transparent look at Hayes Barton UMC's financial health and the decisions guiding our upcoming year.

HERE ARE THE KEY POINTS:

- Pledged giving is growing again, increasing from \$2.575M in 2025 to a budgeted \$2.832M in 2026 — a 9% rise and our strongest growth since before COVID.
- However, inflation has outpaced giving. Since 2019, pledged revenue is up 5.3%, while inflation has risen 22.5%, reducing our real purchasing power by 14%.
- Expenses have risen sharply post-COVID. After several years of pandemic-era surpluses, the church has experienced operating deficits for the past three years, which have been funded by reserves.
- The Employee Retention Credit (ERC) from the federal government helped replenish reserves and support staff during this period.
- The church continues to carry a \$2.88M mortgage from the Holroyd Hall / The Well project, with a 2028 maturity that will require strategic planning.
- Endowment funds now exceed \$5M, contributing approximately \$250,000 annually to support operating expenses and scholarships, as many proceeds are restricted for specific uses as directed by the funds.
- Key ministry investments were protected, including staffing, outreach, and mission funding, reflecting our commitment to families, discipleship, and outreach.
- Looking ahead, aging facilities, growing children and youth ministries, and the 2028 mortgage maturity will require increased giving and thoughtful long-term planning.
- The finance committee will host office hours on March 22 and April 12 during the Sunday School hour to answer questions and hear feedback.

As we navigate these financial challenges, we remain committed to stewardship and faith-driven decision-making.

The finance committee will host office hours with the congregation on Sunday, March 22, and April 12, during the Sunday School hour, as a time and place to gather and address any questions members have.

SECTION 1

2025 Ministry Impact: Made Possible by Your Generosity

In 2025, your generosity did more than sustain ministry, it moved us forward. Together, we strengthened our foundations, expanded care, deepened formation, enhanced worship leadership, and increased our outreach impact. The milestones below reflect the difference your giving is making in the life of our church and our community.

CONNECTION PATHWAY

Your generosity helped us build belonging.

- Launched Fellowship Friends Ministry to help new members form and develop relationships with other members
- Implemented new church database system (Realm) to better connect and communicate with the congregation
- Welcomed 35 new families into our church home



SUPPORT PATHWAY

Your giving sustained care in life's most tender moments.

- Trained 9 new Stephen Ministers to walk alongside those in crisis
- Coordinated care for 125 members through organized pastoral support
- Led 14 celebrations of life, surrounding grieving families with love

FORMATION PATHWAY

Your investment strengthened the faith of the next generation.

- Expanded and restructured Children's Sunday School with dedicated teaching teams
- Equipped volunteers and clarified expectations for families
- Youth engagement grew, with 168 youth participating in at least one event over the course of the year
- Revitalized children's and youth events to increase engagement





WORSHIP & CREATIVE ARTS PATHWAY

Your gifts enhanced the excellence and sustainability of worship.

- Hired a permanent Director of Contemporary Music
- Secured recurring endowment funding for traditional music
- Supported meaningful weekly worship and special services that drew strong participation

OUTREACH PATHWAY

Your generosity extended beyond our walls.

- Distributed \$79,000 in local outreach grants
- Served 786 neighbors through Generous Helping projects
- Packed 20,000+ meals to fight hunger globally
- Contributed \$254,537 to North Carolina UMC apportionments, which support ministry locally, regionally, and globally.



ADMINISTRATION PATHWAY

Your generosity helped strengthen the infrastructure that supports every ministry.

- Replaced 4 HVAC systems, 2 water heaters, and 1 copier to maintain reliable operations
- Repaved the Stone Street parking lot to improve safety and accessibility
- Hosted 150+ events serving 25 outside groups and ministry partners using our facilities
- Launched eSpace, a new system to better manage and coordinate building and room usage

Henry Campen led the Stewardship Campaign this year with an earlier start in September, an efficient campaign, and enabled us to close out the Stewardship in January (instead of March). We are close to the same number of giving units as in prior years. More importantly, your generosity is evident in the average pledge per family increasing by 9%.

Membership	1,280 households (2,012 members, 26+ years old, either head or spouse of households)
Number of Families Pledging	444 (35% of our households)
Average Pledge Amount	\$6,180

Stewardship is part of our life together throughout the year.

If you have not yet made a pledge for 2026, it's not too late. There's still time to be part of what God is doing through our church.

If you haven't given in the past, we invite you to consider beginning in 2026. If you give from time to time, perhaps this is the year to give more regularly. And if you already give regularly, we invite you to take the next step by making a pledge.

The 2026 budget is balanced and reflects both continued financial stability and intentional investment in ministry priorities. Total revenues and total expenses are each budgeted at approximately \$3.10 million, representing a 2% increase over 2025.

REVENUES

- Pledges remain the primary source of income, totaling \$2.832 million budgeted and accounting for 87.5% of total revenues, a 9% increase over 2025.
- Non-pledge income, the money received by members and guests who do not pledge but make meaningful contributions, is projected at \$295,000 (9.4% of revenues), remaining relatively stable year over year.
- Endowment transfers decreased from 2025, reflecting the available endowment funds for 2026.
- Fees represent online fees and differences in stock valuations, consistent with prior years.
- Overall, revenue projections are intentionally conservative while still supporting the church's operational and ministry needs.

EXPENSES

As with most churches, personnel, our human capital, remains the largest expense, totaling \$1.80 million (57.1% of expenses).

This reflects:

- Standard clergy and staff raises
- A 10% increase in health insurance costs
- The addition of one new staff position, with 50% of the cost anticipated to be supported through forthcoming campaign-related funding initiatives.

Administrative and property-related costs remain significant at 24.7% of the total budget, including:

- Increased Trustees Property expenses, which include building maintenance and upkeep
- Ongoing mortgage transfers
- Continued investment in capital expenses

Program and Ministry pathways reflect targeted investments:

- Connection Pathway increased to support a website revamp
- Fellowship Pathway reflects higher costs due to food and fellowship activities throughout the year
- Support Pathway reflects the launch of a new Stephen Minister cohort
- Outreach spending remains strong and aligned with apportionments and mission priorities, with only a modest net increase

NET POSITION

The 2026 budget is balanced, with a planned break-even result. While quarterly cash flow fluctuates, the overall annual plan reflects careful stewardship and fiscal discipline.

SUMMARY

The 2026 budget demonstrates a thoughtful balance between financial responsibility and strategic investment, supporting core ministries, staff, and facilities, while maintaining a stable operating position.

	2024 Budget	2025 Budget	2026 Budget	% of Budget
Revenues				
Pledges	2,514,137	2,631,115	2,759,610	87.5%
Non-Pledges	300,000	285,000	295,000	9.4%
Transfers from Endowments	-	185,985	124,700	4.0%
Fees	(50,274)	(1,021)	(24,643)	-0.8%
Total Revenues	2,763,863	3,101,079	3,154,666	100.0%
Expenses				
Worship Pathway	49,500	66,600	72,200	2.3%
Formation Pathway	42,900	49,397	45,800	1.5%
Connection Pathway	7,100	14,400	24,500	0.8%
Outreach Pathway:				
Apportionments	261,942	254,537	271,902	8.6%
HBUMC Outreach Budget	110,000	129,985	116,800	3.7%
Total Outreach Pathway	371,942	384,522	388,702	12.3%
Fellowship:				
Worship in the Park	6,500	6,700	8,000	0.3%
Easter Breakfast	1,000	550	550	0.0%
Homecoming	6,500	6,500	6,500	0.2%
Shrove Tuesday	2,000	2,000	2,000	0.1%
Special Events	2,500	700	700	0.0%
Kitchen and Food	13,628	12,600	17,800	0.6%
Total Fellowship Pathway	32,128	29,050	35,550	1.1%
Support Pathway	6,300	7,150	8,724	0.3%
Administration Pathway:				
Personnel	1,630,468	1,695,005	1,803,538	57.1%
Office & Admin	146,970	145,910	149,940	4.7%
Trustees Property	271,994	308,885	334,160	10.6%
Facility Use Reimbursement	(21,840)	(19,840)	(20,840)	-0.7%
Mortgage Transfer	160,000	160,000	160,000	5.1%
Tx to HVAC & Building Upkeep	60,000	100,000	-	0.0%
Capital Expenses	5,000	160,000	155,103	4.9%
Total Admin Pathway	2,252,592	2,549,960	2,581,901	81.8%
Total Expenses	2,762,462	3,101,079	3,157,377	
Net Surplus, (Deficit)	1,401	0	(2,710)	

While working on the church finances can sometimes seem like a spreadsheet exercise (we do make and review a lot of spreadsheets!), we start and close each meeting with a prayer that reminds us that our work is a spiritual exercise. The ministry of Hayes Barson United Methodist Church would not be possible without your faithful financial support. Thank you!

The Finance Committee urges your prayerful consideration of increased giving to sustain and strengthen church operations. As the table below reflects, our revenues and expenses have remained strong over the past several years, though recent years have resulted in operating losses. While we have an approved balanced budget, continued planning for future capital expenditures is essential as our facility ages and our mortgage matures in 2028. We also remain committed to living into our vision by investing in and supporting the expansion of children and youth ministries, as well as outreach and missions.

Year	2019	2020	2021	2022	2023	2024	2025
Revenues	\$2,828,560	\$2,686,285	\$2,883,427	\$2,717,247	\$2,795,336	\$2,822,104	\$3,055,834
Expenses	\$2,763,107	\$2,497,835	\$2,789,427	\$2,738,165	\$2,927,703	\$2,894,544	\$3,131,206
Surplus / (Loss)	\$65,453	\$188,450	\$94,000	(\$20,918)	(\$132,367)	(\$72,440)	(\$75,372)

Please reach out if you have further questions.

Members of the Finance Committee will host “office hours” in the church parlor on Sunday, March 22, and April 12 during the Sunday School hour to gather and address any questions you may have about this financial update.