

**The Cove Homeowner's Association
Annual Report
2025**

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2025 HOA Financial Summary

As we close out 2025, the HOA remains in a strong financial position. Key figures and highlights are summarized below.

Liquid Assets

- **Beginning Balance (2025):** \$29,743.01
- **Ending Balance (2025):** 28,769.55
- **Reserve Fund (included above):** \$25,000.00

Income from HOA Dues and Transfer Fees

Total HOA income for 2025 was \$22,380.00 comprised of:

- **Regular HOA dues:** \$20,790
- **Transfer fees collected for FY 2025:** \$1,200
- **Transfer fees from FY 2024 posting in Jan. 2025 -** \$300
- **Late fees collected:** \$90

Outstanding Accounts

- All accounts are **current**, with **zero past-due balances**.
- No legal action was needed for the collection of dues this year, which is a positive outcome.

Legal and Insurance Updates

- The HOA is not involved in any litigation and remains in good legal standing.
- As recommended by legal counsel in 2022, the HOA continues to maintain liability insurance and umbrella insurance policies at increased coverage levels. This provides added protection for the community and ensures we're well-prepared for unforeseen circumstances.

Summary

The HOA maintained stable income, managed expenses responsibly, and preserved a healthy reserve fund. The Board remains committed to careful budgeting and long-term planning, while minimizing financial impact to homeowners. **Thank you for your ongoing support and timely payment of dues.**

2025 Budget Reconciliation

Planned vs. Actual Spending

- Approved Budget: \$19,486.00
- Actual Spending: \$24,245.99
- Variance: +\$4,759.99

Key Factors for Overspending - Unplanned Expenses:

- **Storm Restoration:** A significant portion of the overspending, **\$5,183.80** was dedicated for repairs and restoration efforts to common areas impacted by **Hurricane Helene**.
- **Common Area Repairs:** Removed storm-damaged tree from common area ditch after it fell onto a homeowner's fence. **\$350.00**

These expenses were necessary to maintain the safety, appearance, and functionality of our community, considering the storm's impact.

Cost Avoidance:

Thanks to the generous donation of the land bridge, along with the work completed by FEMA and Henderson County, for tree removal, waterway cleanup, and washout restoration, our community **avoided roughly \$40,000** in repair and restoration costs. This assistance spared residents from a potential special assessment and preserved our reserve funds.

Social Event Budget and Community Engagement

In 2025, the Board made a deliberate decision to reduce the annual social events budget from \$1,500 to \$1,000 in an effort to reserve funds while still maintaining meaningful community engagement. The Board planned five events for the year and successfully came in under budget by \$166.46, with total social event spending of \$833.54.

Community events held throughout the year included the Spring Yard Sale, Easter Egg Hunt, 4th of July Bike Parade with Pelican's SnoBall treat truck, and National Night Out featuring local first responders and a cookout-style dinner. Some events, such as the yard sale and food truck offerings, were provided at no cost to the HOA, further supporting responsible financial management.

Community participation and feedback remain positive, reinforcing the value of these gatherings in strengthening neighborhood connections.

Property Transfers:

Each year, the HOA budgets for **four** property transfers, anticipating a \$300 transfer fee per sale. In 2025, we completed all four anticipated property transfers, meeting our budgeted total of **\$1200** in transfer fee revenue. This continued level of activity reflects the ongoing desirability and stability of our neighborhood.

Hurricane Helene Impact Continued Restoration Efforts in 2025

Restoration Update on the Green Space and Creek Area

Throughout 2025, as recovery efforts continued, the board dedicated significant time to identifying and securing additional resources to address ongoing damage to our greenspace along the creek. Board members worked closely with the Henderson County Hurricane Disaster Relief Team, the Henderson County Soil and Water Conservation District, and FEMA. All required applications and documentation were completed, allowing FEMA, Henderson County and their assigned contractors to access HOA property and waterways at no cost to the HOA. These efforts enabled essential cleanup and restoration, and also served as a preventative measure by identifying and removing damaged and at-risk trees to help reduce the likelihood of future storm-related damage.

Community Volunteer Effort

The support of community volunteers, including neighbors from surrounding areas, was instrumental to the recovery efforts and reinforces the strong sense of community that we are fortunate to have.

Restoring Access Between Communities

The bridge providing trail access between communities was destroyed during the storm. Following the damage, volunteers spent several months researching replacement options and gathering cost estimates. Ultimately, one of our Cove residents, Stephen Gardner, generously volunteered his company, Archer-Wright Joint Venture, to complete the project as a community service initiative by constructing a culvert land bridge designed to withstand heavy water flow.

This exceptional project not only restored trail access but also brought many neighbors together in a meaningful way. Through the donation of heavy machinery, equipment, materials and labor, the community **avoided approximately \$20,000** in costs to rebuild the bridge. In appreciation of their time and generosity, meals for the construction crew were provided at a cost of **\$284.67**. As the work took place over a full weekend, a portable restroom was also provided for the crew at a cost of **\$109.00**. Additionally, a generous **\$300 donation** was made by a nearby neighbor, and those funds were applied to these expenses.

Moving Forward

Currently, there are no active or pending projects related to the creek area. The creek banks will continue to re-stabilize naturally, and have shown progress as the root systems have become well established over the past year. Ongoing efforts will focus on routine maintenance, including keeping drainage ditches clear to ensure proper water flow into the creek to help prevent future issues.

2026 Budget Planning

Looking ahead to 2026, the HOA Board has carefully reviewed our neighborhood's financial needs and the impact of recent events, including the ongoing cleanup from Hurricane Helene. We're pleased to share that dues will remain the same for 2026. **\$330.00 annually, per household.**

Impact on the Reserve Fund

Any funds collected beyond the actual expenses for the year will be used to replenish the reserve account for amounts spent on storm restoration. Strengthening our reserve fund remains a priority to ensure we can cover unexpected costs and support the long-term financial stability of our community.

Summary

While our actual spending for 2025 exceeded the approved budget, the additional expenses were tied to essential community restoration. With operating costs gradually increasing each year, the Board wants to be proactive in planning for the future. While there will be no increase this year, homeowners should anticipate an adjustment in the future to help maintain a balanced budget and continue supporting our community's needs. We remain committed to managing the HOA's finances carefully, maintaining community upkeep, and planning responsibly for the future.

Thank you again for your continued support, and for making The Cove an amazing community.