

# University Square Homeowners Association

## Financial Information Meeting

# USHA Financial Information Meeting

## Bottom Line Upfront

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To prevent our Association from bankruptcy by 2030, our annual assessment must be increase by 60% in 2027 to ensure our income exceeds our expenses through 2030

A quorum of at least 60% of all members (99 of the 165 members) must vote, and two-thirds of all casted votes must vote “For” the increase

# USHA Financial Information Meeting Presentation Outline

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- USHA Regulations
- Annual Income – Expense Summary
- Income Details
- Expense Details
- 2025 Annual Income – Expense Statement
- Board 2027 Annual Fee Assumptions
- Board Recommendation
- Open Discussions
- Special Meeting & Voting Details
- State Regulations
- Closing Remarks

# USHA Financial Information Meeting

## USHA Regulations

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- USHA Declaration of Covenants, Conditions and Restrictions is recorded with each property's land deed and legally binds the owners to the Association
- Every recorded land deed owner is a member of the association. Every property, in good standing with the association, is entitled to one vote
- Owners have a legal obligation to pay annual assessments and special assessments for capital improvements

# USHA Financial Information Meeting

## USHA Regulations

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- Annual Assessments cover the day-to-day expenses of the association
  - The Board has the authority to increase the annual assessment by no more than five percent each year
  - Any increase above five percent requires a quorum of at least 60% of all members (99 of 165 members) to vote at a special meeting in person or by proxy, and two-thirds (2/3) of all members who voted, must vote “for” the increase
- Special Assessment for Capital Improvements requires a quorum of at least 60% of all members (99 of 165 members) to vote at a special meeting in person or by proxy, and two-thirds (2/3) of all members who voted, must vote “for” the increase

# USHA Financial Information Meeting

## Annual Income & Expenses Summary

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- Our total annual expenses continue to exceed the Board approved 5% total annual income
- Since 2020 we have had a net loss of \$55,726 that was covered from our Cash-On-Hand
- If the actual 2025 rate of increases for expenses continues through the out years and the annual assessment fee is limited at 5%, the association will be bankrupted in 2030

Year	Annual Assessment Per Household	% Increase	Total Annual Assessment	Annual Expenses	Net = Income - Expenses	Year's End Cash On Hand
2030	\$ 551	5%	\$ 90,920	\$ 138,880	\$ (47,960)	\$ (30,794)
2029	\$ 525	5%	\$ 86,590	\$ 124,000	\$ (37,410)	\$ 17,166
2028	\$ 500	5%	\$ 82,467	\$ 110,714	\$ (28,247)	\$ 54,576
2027	\$ 476	5%	\$ 78,540	\$ 98,852	\$ (20,312)	\$ 82,823
2026	\$ 454	5%	\$ 74,910	\$ 87,405	\$ (12,495)	\$ 103,135
2025	\$ 434	5%	\$ 71,610	\$ 78,069	\$ (6,459)	\$ 115,630
2024	\$ 414		\$ 68,310	\$ 77,599	\$ (9,289)	
2023	\$ 396		\$ 65,340	\$ 78,367	\$ (13,027)	
2022	\$ 378		\$ 62,370	\$ 60,295	\$ 2,075	
2021	\$ 356		\$ 58,740	\$ 60,111	\$ (1,371)	
2020	\$ 356		\$ 58,740	\$ 73,941	\$ (15,201)	
2019	\$ 340		\$ 56,100	\$ 51,484	\$ 4,616	
2018	\$ 340		\$ 56,100	\$ 53,001	\$ 3,099	
2017	\$ 340		\$ 56,100	\$ 47,648	\$ 8,452	
2016	\$ 325		\$ 53,625	\$ 51,183	\$ 2,442	
2015	\$ 310		\$ 51,150	\$ 51,471	\$ (321)	
2014	\$ 310		\$ 51,150	\$ 42,426	\$ 8,724	
2013	\$ 310		\$ 51,150	\$ 52,877	\$ (1,727)	
2012	\$ 366		\$ 60,390	\$ 47,483	\$ 12,907	

# USHA Financial Information Meeting

## Annual Income Sources

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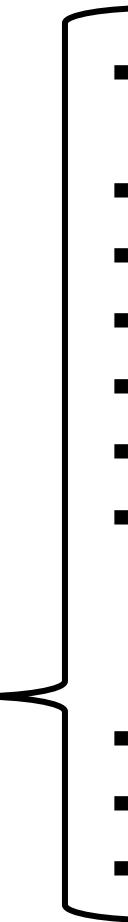
- The Annual Assessment Fee
  - 165 Homes x Annual Assessment Fee = 99.5% of Total Annual income
- Other potential income sources are minimal and not guaranteed
  - Assessment Late Payment Fees – less than \$100 each year
  - Property Resale Certificate – \$100 fee per sold home, 1-2 homes each year
  - Bank Interest - less than \$20 each year
  - Exterior Architecture Guidelines & Restrictions Non-Compliant Fines – rare cases

# USHA Financial Information Meeting

## Annual Expenses

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- Trash makes up 85% of our total expense
- Common Ground Tree & Lawn Maintenance makes up 8% of our total expense
- Insurance expenses makes up 4% of our total expense
- Misc expenses make up 3% of our total expenses



- Internet Service – Google Workspace Account & Web Site
- Post Office Box – smallest box offered
- Postage – about 400 stamps for two mailings a year
- Legal Fees – only if used
- Community Affairs – National Night Out
- Tax Prep Fees – H&R Block
- Licenses & Permits – State Corporation and Common Interest Community Registration Fees, Braddock District Council of Community Association Membership Fee
- Printing/Reproduction – paper for printing
- Business Supplies - Labels, Envelopes, USB discs
- Bank Fees – only if a check bounces

# USHA Financial Information Meeting

## Trash Service Expenses

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- Republic Trash Services makes up just over 85% of our total annual expenses.
- The Republic Services contract was negotiated in October 2012 and renews annually
- Either party may cancel the contract, and Republic can increase rates given written notice
- Republic adjusts rates in January to cover their operational cost increases and again in July for Fairfax County disposal rate increases.

Year	Republic	County	Total	Values
2026	4.9%	4.9%	9.8%	Republic Estimated
2025	6.5%	5.8%	12.3%	Actuals
2024	7.7%	4.3%	12.0%	Actuals
2023	7.6%	3.4%	11.0%	Actuals

- For 2027 and out the actual 2025 Trash rate increase will be used (12.3%)
- Research has shown that Republic rates are the competitive with other Fairfax County approved trash services

# USHA Financial Information Meeting

## Trash Service Expenses

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- Republic's rates per home/per month of \$36.04 is competitive and their annual increases have been in line with other trash service companies over time
- In 2025, two trash services provided estimates of \$35 per month for one pickup per week for trash
- The Board considered reducing Republic's trash pick up to only once a week, which would reduce our bill by 25% going from four pickups a week to three pickups a week
  - This would open the door for Republic to issue a new contract and adjust the base rates to the current market value which would most likely result in no change in rates but a decrease in service to one trash pickup a week
- In 2023, Garby LLC submitted a proposal that was \$50 less per month than Republic
  - The company was a new small business with two trucks that were servicing 700 stops a week. Our service would add 330 stops a week. The start up capacity of this small business was too risky for a \$50 savings
- In 2022, Champion and kmG Hauling submit proposals for one trash pickup a week
  - The monthly cost for Republic was \$4,107: for Champion it was \$8,085, and for kmG Hauling it was \$10,230

# USHA Financial Information Meeting Tree & Lawn Maintenance Expenses

- USHA has just over seven acres of common ground. Most of the land is considered natural conservation landscaping (undeveloped), except for an area coming into our community on University Drive around the retention pond which is mowed once a month
- Most of the trees are fully matured in age and slowly dying
- The common area butts up to 55 USHA Homeowners' properties, the Briarcliff Townhomes, and Chancery Park HOA.
- We address trees after receiving a complaint from bordering homeowners.



# USHA Financial Information Meeting

## Tree & Lawn Maintenance Expenses

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- Common Area Tree and Lawn Maintenance is our second largest expense and since 2012 varied from 4% (\$2,000) to 35% (\$25,600) of total expense depending on the number of trees that required cut down
- To establish an estimate for 2027, a running average of five years provided an initial estimate for 2017 through 2026. The five-year average for 2017 through 2026 was averaged again that resulted in an average of \$8,393. This cost was used for the 2027 Maintenance estimate, and the out-year estimate was inflated by 6% each year. This is a 48% increase from the 2026 estimate.

# USHA Financial Information Meeting

## Insurance Expenses

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- Insurance cost make up 4% of the annual expense and have increased within the 5% income limit each year.
- Our annual insurance expense involves three policies: one policy covers general liability for our common area; one policy covers business liability for our Association/Board; one policy covers criminal liability of a member against the association. This is the minimum required by Virginia Law.
- In 2024 our insurance agent reviewed our policies and was able to reduce our cost and synchronized our payments of the three policies.
- Each year before renewing, the agent does a review of all policies. For 2027 and out the expenses were inflated by 6% each year

# USHA Financial Information Meeting

## Miscellaneous Expenses

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- Miscellaneous expenses make up 3% of the annual expense and includes:
  - Internet Service – Google Workspace Account & Web Site (\$990)
    - Google Workspace provides email services and storage space for all USHA files
  - Post Office Box (\$270) – smallest box offered
  - Postage (\$350) – about 400 stamps for two mailings a year
  - Legal Fees (\$250) – budgeted but never used over the past five years
  - Community Affairs (\$265) – National Night Out
  - Tax Prep Fees (\$250) – H&R Block
  - Licenses & Permits (\$205) – State Corporation and Common Interest Community Registration Fees, Braddock District Council of Community Association Membership Fee
  - Printing/Reproduction (\$100) – paper for printing
  - Business Supplies (\$100) - Labels, envelopes, USB discs
  - Bank Fees (\$15) – only if a check bounces
- For 2027 and out the expenses were inflated by 6% each year.

# USHA Financial Information Meeting

## 2025 Annual Income – Expense Statement

Actual Income - Expenses through the end of the year, 12/31/25														
Expenses	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-End Total	Budget 4/6/2024
Trash	\$ 5,623.20	\$ 5,623.20	\$ 5,623.20	\$ 5,623.20	\$ 5,623.20	\$ 5,623.20	\$ 5,623.20	\$ 5,946.60	\$ 5,946.60	\$ 5,946.60	\$ 5,946.60	\$ 5,946.60	\$ 69,418.60	\$ 64,944.00
Maintenance-Trees								\$ 3,900.00					\$ 3,900.00	\$ 6,000.00
Maintenance-Lawn					\$ 90.00	\$ 90.00	\$ 97.00	\$ 97.00	\$ 97.00	\$ 97.00	\$ 97.00		\$ 665.00	\$ 665.00
Insurance											\$ 1,555.00	\$ 728.00	\$ 2,284.00	\$ 2,625.00
Internet Service	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.20	\$ 43.53	\$ 208.28	\$ 58.40	\$ 58.40	\$ 58.40	\$ 708.41	\$ 700.00
Printing/Repro													\$ -	\$ 100.00
Legal Fees													\$ -	\$ 250.00
Community Affairs								\$ 257.39					\$ 257.39	\$ 250.00
Postage										\$ 97.00			\$ 97.00	\$ 120.00
Post Office Box											\$ 248.00		\$ 248.00	\$ 240.00
Business Supplies			\$ 19.07									\$ 41.33	\$ 60.40	\$ 200.00
Tax Prep Fees		\$ 175.00											\$ 175.00	\$ 150.00
Licenses & Permits						\$ 50.00		\$ 25.00			\$ 80.00		\$ 155.00	\$ 155.00
Bank Fee													\$ -	\$ 30.00
New Homeowner Gift Cards	\$ 50.00						\$ 50.00						\$ 100.00	\$ 100.00
<b>Total Projected Expenses</b>	<b>\$ 5,716.40</b>	<b>\$ 5,841.40</b>	<b>\$ 5,685.47</b>	<b>\$ 5,686.40</b>	<b>\$ 5,706.40</b>	<b>\$ 5,806.40</b>	<b>\$ 10,036.60</b>	<b>\$ 6,374.53</b>	<b>\$ 6,249.88</b>	<b>\$ 6,181.00</b>	<b>\$ 7,878.00</b>	<b>\$ 6,796.13</b>	<b>\$ 78,088.00</b>	<b>\$ 78,529.00</b>
Income	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-End Total	Budget
Annual Assessment Dues	\$ 480.54	\$ 660.54	\$ 4,567.96	\$ 5,517.51		\$ 435.27	\$ 225.82	\$ 222.97	\$ 37,001.00	\$ 16,821.00	\$ 4,095.00	\$ 3,194.62	\$ 73,202.51	\$ 71,610.00
Home Resale Certificate Fee				\$ 100.00				\$ 100.00	\$ 200.00				\$ 400.00	\$ 200.00
Bank Interest	\$ 0.62	\$ 0.58	\$ 0.62	\$ 0.60	\$ 0.62	\$ 0.60	\$ 0.62	\$ 0.62	\$ 0.60	\$ 0.62	\$ 0.60	\$ 0.62	\$ 7.50	\$ 12.00
<b>Total Income</b>	<b>\$ 481.16</b>	<b>\$ 661.10</b>	<b>\$ 4,568.58</b>	<b>\$ 5,618.11</b>	<b>\$ 0.62</b>	<b>\$ 435.87</b>	<b>\$ 226.44</b>	<b>\$ 323.59</b>	<b>\$ 37,201.60</b>	<b>\$ 16,821.62</b>	<b>\$ 4,095.68</b>	<b>\$ 3,195.24</b>	<b>\$ 73,689.61</b>	<b>\$ 71,832.00</b>
<b>Cash on Hand at Month's End</b>	<b>\$ 115,226.83</b>	<b>\$ 116,045.53</b>	<b>\$ 106,928.64</b>	<b>\$ 106,800.35</b>	<b>\$ 103,124.57</b>	<b>\$ 97,774.04</b>	<b>\$ 87,963.68</b>	<b>\$ 81,912.75</b>	<b>\$ 102,864.47</b>	<b>\$ 123,495.00</b>	<b>\$ 116,612.77</b>	<b>\$ 116,041.68</b>		

# USHA Financial Information Meeting

## Board 2027 Annual Fee Assumptions

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- All potential cost-savings measures have been explored by the Board and an increase in the annual assessment fee above 5% is the best alternative
- The process required for approving a rate increase above 5% is very time consuming for the Board, so the goal was to seek the increase once in 2027
- A 32% increase would be needed just to balance the 2027 budget, but if the 2025 inflation rates continued in the out year, we would continue to operate at a loss in the out years that follow with a 5% income cap

Year	Annual Assessment Per Household	% Increase	Total Annual Assessment	Annual Expenses	Net = Income - Expenses	Year's End Cash On Hand
2030	\$ 695	5%	\$ 114,605	\$ 138,880	\$ (24,275)	\$ 57,391
2029	\$ 662	5%	\$ 109,148	\$ 124,000	\$ (14,852)	\$ 81,666
2028	\$ 630	5%	\$ 103,950	\$ 110,714	\$ (6,764)	\$ 96,519
2027	\$ 600	32%	\$ 99,000	\$ 98,852	\$ 148	\$ 103,283
2026	\$ 454	5%	\$ 74,910	\$ 87,405	\$ (12,495)	\$ 103,135
2025	\$ 434	5%	\$ 71,610	\$ 78,069	\$ (6,459)	\$ 115,630

# USHA Financial Information Meeting

## Board 2027 Annual Fee Assumptions

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- Assuming a 5% cap in 2028 and out for income, and 6% inflation for expenses, an additional 28% increase would be needed to prevent a net loss through 2030
- Another consideration was rebuilding our cash-on hand to the HOA norm of 70-100% of the annual total expenses
- This resulted in the need for a 60% increase in 2027

Year	Annual Assessment Per Household	% Increase	Total Annual Assessment	Annual Expenses	Net = Income - Expenses	Year's End Cash On Hand
2030	\$ 843	5%	\$ 139,054	\$ 138,880	\$ 174	\$ 148,421
2029	\$ 803	5%	\$ 132,432	\$ 124,000	\$ 8,432	\$ 148,247
2028	\$ 764	5%	\$ 126,126	\$ 110,714	\$ 15,412	\$ 139,815
2027	\$ 728	60%	\$ 120,120	\$ 98,852	\$ 21,268	\$ 124,403
2026	\$ 454	5%	\$ 74,910	\$ 87,405	\$ (12,495)	\$ 103,135
2025	\$ 434	5%	\$ 71,610	\$ 78,069	\$ (6,459)	\$ 115,630

# USHA Financial Information Meeting

## Proposed 2027 Annual Assessment Fee Ballot/Proxy

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The Board is asking Association Members to  
vote “For”

*Authorization for the Board of Directors to increase  
the 2027 Annual Assessment Fee to \$728, a sixty  
percent (60%) increase from the 2026 Annual  
Assessment Fee of \$454 per household*

# USHA Financial Information Meeting

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## OPEN DISCUSSIONS

# USHA Financial Information Meeting

## Special 2027 Annual Assessment Meeting

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- Letters delivered to all homeowners with meeting and voting details
- Three Financial Information Video Meetings scheduled for 3, 4, & 5 Feb at 8PM to ensure members understand the rationale for the vote
- The Meeting for the vote will be held on 19 February 2026 from 8-10PM at the Fairfax Villa Elementary School Library
- Members have two means of submitting the Ballot/Proxy Form delivered with the letter:
  - Complete the Form in person and submit at the Special Meeting or
  - Complete the Form by Proxy and return the Form:
    - To the yellow Ballot/Proxy Drop Box at 10810 Verde Vista Drive by 18 February
    - Via mail to USHA, P.O. Box 16, Fairfax, VA 22038-0016. Mailed Ballots must be post marked by 14 February to be counted

# USHA Financial Information Meeting

## Special 2027 Annual Assessment Meeting

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Declaration of Covenants, Conditions and Restrictions required:

- Any annual assessment fee increase above five percent (5%) must be approved by two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for this purpose
- Members shall be notified not less than thirty (30) days nor more than sixty (60) days in advance of the meetings.
- For the meeting to be legal, a quorum of sixty percent (60%) of all voting members (99 of the 165 members) must be present in person to vote or have casted a proxy vote
  - If a quorum is reached, two-thirds (2/3) of the total votes must be in favor of the proposal increase
  - If a quorum is not reached at the first meeting, a second meeting can be called subject to the same notice requirement
- For the second meeting to be legal, a quorum shall be one-half (1/2) of the required quorum at the first meeting or fifty (50) members either present or voting by proxy
  - If a quorum is reached at the second meeting, two-thirds (2/3) of the total votes must be in favor of the proposal increase
  - If a quorum is not reached at the second meeting, the Board may go forward with the 5% increase or investigate other options

# USHA Financial Information Meeting

## Commonwealth of Virginia Requirements

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- As a registered nonstock corporation with Commonwealth of Virginia Corporation Commission, we are required to comply with the Code of Virginia, Title 13 Corporations, Chapter 10 for Virginia Nonstock Corporation
- As a registered self-managed property owners' association with the Commonwealth of Virginia, Department of Professional and Occupational Regulation, Common Interest Community Board, we are required to comply with the Code of Virginia Title 55.1, Subtitle IV, Chapter 18, Property Owners' Association Act
- The association representative or authorized agent is required to submit an annual report certifying compliance with state codes
- If a HOA is unable to be self-managed, the Commonwealth of Virginia, Common Interest Community Board can pursue professional management through the courts

# USHA Financial Information Meeting

## Closing Remarks

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We need all 165 Association Members to seriously consider the information presented by the Board, talk with your Board Members, talk with your neighbors, and most of all VOTE.

Understand that all Association Members are equally responsible for all legal cost in filing for bankruptcy and for all cost that result from the Virginia Common Interest Community Board pursuing a court-appointed professional management of the Association

Potentially a far more costly alternative to the 60% increase