

Loan Payment Shortfall Analysis

Item	Monthly Amount	7-Month Impact
Required Loan Payment	\$2,756.09	\$19,292.63
Current Collections (9 units)	\$1,872.00	\$13,104.00
Monthly Shortfall	\$884.09	\$6,188.63

Note: This shortfall is easily covered by the \$2,893.95 monthly operating surplus

CRITICAL COLLECTIONS PRIORITY

The outstanding special assessment balances represent a significant financial recovery opportunity:

- **Conservative estimate:** \$37,232+ in outstanding principal
- **With late fees and interest:** Potentially \$50,000+ recoverable
- **Monthly loan gap:** Only \$884 (easily covered by operating surplus)
- **Recovery priority:** These 4 units represent 6+ years of accumulated debt

Immediate Action Required: Comprehensive audit of all special assessment payments from September 2019 to present to establish exact balances owed by each delinquent unit.# 2025 FISCAL YEAR BUDGET

24-Unit Condominium Association

Budget Period: June 1, 2025 - December 31, 2025 (7 Months)

OPERATING BUDGET

Monthly Operating Expenses

Expense Category	Monthly Amount	7-Month Total	Annual Projection
City of North Miami Water	\$1,400.00	\$9,800.00	\$16,800.00
FPL Electric	\$211.47	\$1,480.29	\$2,537.64
Waste Pro Trash Pickup	\$666.88	\$4,668.16	\$8,002.56
Acadia Elevator Heritage	\$164.00	\$1,148.00	\$1,968.00
Comcast Internet/Cable	\$173.00	\$1,211.00	\$2,076.00
Fire Alarm Maintenance	\$296.00	\$2,072.00	\$3,552.00
US Premium Finance (Insurance)	\$2,500.00	\$17,500.00	\$30,000.00
Janitorial Services	\$750.00	\$5,250.00	\$9,000.00
Juda & Eskew Accounting	\$750.00	\$5,250.00	\$9,000.00
Soppros Property Management	\$550.00	\$3,850.00	\$6,600.00
Legal Services (Collections)	\$400.00	\$2,800.00	\$4,800.00
Reserve Fund Contribution	\$900.00	\$6,300.00	\$10,800.00
TOTAL MONTHLY OPERATING	\$8,761.35	\$61,329.45	\$105,136.20

Note: Legal services increased to \$400/month for aggressive collections efforts

Operating Revenue Projections

Current Payment Status (20 Paying Units)

Revenue Source	Monthly	7-Month Total	Annual Projection
Monthly Assessments (20 units × \$578.46)	\$11,569.20	\$80,984.40	\$138,830.40
Laundry Income	\$86.10	\$602.70	\$1,033.20
TOTAL OPERATING REVENUE	\$11,655.30	\$81,587.10	\$139,863.60

If Collections Successful (24 Paying Units)

Revenue Source	Monthly	7-Month Total	Annual Projection
Monthly Assessments (24 units × \$578.46)	\$13,883.04	\$97,181.28	\$166,596.48
Laundry Income	\$86.10	\$602.70	\$1,033.20
TOTAL WITH ALL UNITS PAYING	\$13,969.14	\$97,783.98	\$167,629.68

Operating Surplus Analysis

Scenario	Monthly Surplus	7-Month Surplus	Annual Projection
Current (20 paying units)	\$2,893.95	\$20,257.65	\$34,727.40
All units paying (24 units)	\$5,207.79	\$36,454.53	\$62,493.48

SEPARATE LOAN REPAYMENT & SPECIAL ASSESSMENT REPORT

Popular Bank Loan Details

- **Monthly Payment Required:** \$2,756.09
- **Loan Purpose:** Building renovation (2021)
- **Special Assessment Timeline:**
 - **September 2019 - August 2020:** \$150.33/month per unit (12 months)
 - **September 2020 - Present:** \$208/month per unit (loan amount increased)
- **Total Collection Period:** September 2019 - Present (70+ months)

Special Assessment Payment History & Status

Payment Timeline Analysis

Period	Monthly Amount	Duration	Total Per Unit
Sept 2019 - Aug 2020	\$150.33	12 months	\$1,803.96
Sept 2020 - June 2025	\$208.00	58 months	\$12,064.00
TOTAL ASSESSMENT PERIOD	Variable	70 months	\$13,867.96

Units Paid in Full (11 Units)

These units completed their total special assessment obligation

Unit Number	Payment Status	Estimated Total Paid	Notes
Unit 201	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 207	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 302	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 304	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 306	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 307	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 403	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 404	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 406	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 407	PAID IN FULL	\$13,867.96	Completed full 70-month obligation
Unit 408	PAID IN FULL	\$13,867.96	Completed full 70-month obligation

Current Payment Period Analysis (Full Timeline: September 2019 - June 2025)

Total Assessment Period: 70 months **Total Amount Per Unit:** \$13,867.96

Units Still Paying \$208/Month (13 Units)

Payment Status	Number of Units	Monthly Collection	Period Outstanding	Total Owed per Unit
Current and Paying	9 units	\$1,872.00	Varies by unit	Up to \$13,867.96
Delinquent (in collections - 4 years)	3 units	\$0.00	~48+ months	\$9,984+ per unit
Deceased Owner (since 2022)	1 unit	\$0.00	~35 months	\$7,280+ per unit
TOTAL	13 units	\$1,872.00	Variable	Variable

Outstanding Special Assessment Receivables (Conservative Estimate)

Category	Units	Estimated Outstanding Balance	Notes
Delinquent Units (4+ years behind)	3	\$29,952+ (\$9,984+ each)	Assuming 48+ months @ \$208/month
Deceased Owner (since 2022)	1	\$7,280+	Assuming 35+ months @ \$208/month
ESTIMATED TOTAL OUTSTANDING	4	\$37,232+	Plus accumulated interest/fees

Note: Exact balances need verification from property management records dating back to September 2019

BUDGET RECOMMENDATIONS

Immediate Actions (June 2025)

1. **Maintain Current Assessment Rate:** \$578.46/month is adequate and fair to paying owners
2. **Aggressive Collections:** Hire specialized HOA attorney immediately
3. **Use Operating Surplus:** Cover loan shortfall (\$884/month) from surplus
4. **Financial Transparency:** Implement monthly reporting to board
5. **Contingency Planning:** If legal costs exceed \$400/month budget or additional units become delinquent, board will reassess dues or reserves mid-year

Medium-Term Strategy (July-December 2025)

1. **Collections Recovery Goal:** Target 50% recovery (\$9,568) by year-end
2. **Reserve Building:** Allocate \$2,000/month from surplus to emergency reserves
3. **Loan Acceleration:** If collections successful, consider loan prepayment
4. **Assessment Review:** Consider modest reduction once all units current

Long-Term Planning (2026)

1. **Full Collections:** Complete foreclosure process on persistently delinquent units
 2. **Assessment Adjustment:** Reduce to \$550-560/month once all units paying
 3. **Capital Planning:** Use accumulated reserves for major building improvements
 4. **Fairness Principle:** This approach protects owners who have consistently paid their obligations and does not penalize the 11 units that responsibly paid off their loan portions early
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FAIRNESS & EQUITY STATEMENT

This budget approach is designed to be fair to all paying owners:

- **Protects responsible owners** who have maintained current payments on both regular assessments and loan obligations
- **Does not penalize early payers** - the 11 units that paid off their \$208/month loan share are not asked to subsidize delinquent units
- **Uses building's operational strength** (substantial monthly surplus) to cover shortfalls rather than increasing assessments
- **Focuses on the root cause** - collections enforcement rather than rate increases
- **Maintains financial stability** without creating additional burden on compliant owners

Contingency Protection: If legal collection costs exceed the \$400/month budget or if additional units become delinquent during the year, the board commits to reassessing dues or reserve allocations mid-year to ensure continued financial stability.

MONTHLY CASH FLOW PROJECTION (June-December 2025)

Month	Operating Income	Operating Expenses	Loan Payment	Net Cash Flow	Cumulative Surplus
June	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$137.86
July	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$275.72
August	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$413.58
September	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$551.44
October	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$689.30
November	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$827.16
December	\$11,655.30	\$8,761.35	\$2,756.09	\$137.86	\$965.02

Note: This conservative projection shows positive cash flow even while covering loan shortfall

COLLECTIONS ACTION PLAN

Phase 1: Immediate Legal Action (June 2025)

- File liens on all 4 delinquent units
- Demand letters to deceased owner's estate
- Engage HOA collections attorney

Phase 2: Foreclosure Process (July-December 2025)

- Begin foreclosure proceedings on 3 units in collections
- Estate settlement negotiations for deceased owner
- Monthly progress reports to board

Phase 3: Recovery & Stabilization (2026)

- Complete foreclosure/sales process
- Apply recovered funds to loan balance
- Reassess monthly assessments based on full occupancy

This budget approach maintains building operations, addresses the loan shortfall, and positions the HOA for long-term financial stability without burdening current paying owners.