

*****:

DECEMBER 31, 2005

FINANCIAL STATEMENTS PREPARED FOR:

NAUTICA ISLES WEST HOMEOWNERS ASSOCIATION, INC.

By: G.R.S. Management Associates, Inc.
3900 Woodlake Boulevard, Suite 309
Lake Worth, FL 33463
(561) 641-8554

The attached financial statements have not been audited
and have been prepared for management purposes only.

Balance Sheet (Accrual)
Consolidated Statement
Dec 05

Page 1
NWEST
1/5/2006
12:39 PM

CASH-OPERATING	
Cash - Operating	27,496.33
TOTAL CASH-OPERATING	<u>27,496.33</u>
ACCOUNTS RECEIVABLE	
Accounts Receivable	23,270.63
Allowance for Doubtful Accts	<u>-1,700.00</u>
TTL ACCOUNTS RECEIVABLE	21,570.63
OTHER ASSETS	
Prepaid Insurance	3,787.84
Utility Deposits	9,535.00
Due from Developer-Def Guar	<u>22,025.32</u>
TOTAL OTHER ASSETS	35,348.16
TOTAL ASSETS	<u><u>84,415.12</u></u>
CURRENT LIABILITIES	
Accounts Payable	52,121.92
Due to Developer - Loan CC	2,394.00
Security Deposits - ARB	10,000.00
Prepaid Assessments	<u>9,724.14</u>
TOTAL CURRENT LIAB	74,240.06
MEMBERS EQUITY	
Current Year Earnings	<u>10,175.06</u>
TOTAL EQUITY	10,175.06
TOTAL LIABILITIES/EQUITY	<u><u>84,415.12</u></u>

Income Statement (Accrual)
Consolidated Statement
Dec 05

Page 1
 NWest
 1/5/2006
 12:39 PM

	Month to Date	%	Year to Date	%
INCOME				
Maintenance Assessments	62,280.19	99.95	737,216.07	97.42
Late Fees	-125.00	-0.20	7,651.10	1.01
Interest Inc- Operating	106.40	0.17	914.30	0.12
Capital Contributions	0.00	0.00	8,550.00	1.13
Gate Cards	50.00	0.08	1,025.00	0.14
Misc Income	0.00	0.00	760.00	0.10
GRS processing fee	0.00	0.00	625.00	0.08
TOTAL INCOME	62,311.59	100.00	756,741.47	100.00
ADMINISTRATIVE EXPENSES				
Management Contract	3,792.00	6.09	44,974.94	5.94
Office Expenses	62.58	0.10	10,821.69	1.43
Legal	0.00	0.00	675.18	0.09
Licenses/Fees/Taxes	211.44	0.34	868.94	0.11
Annual Review/Tax Prep	0.00	0.00	2,250.00	0.30
Insurance	6,081.07	9.76	23,428.61	3.10
TOTAL ADMIN EXPENSES	10,147.09	16.28	83,019.36	10.97
OPERATING EXPENSES				
Electric	3,268.33	5.25	37,482.02	4.95
Water/Sewer	190.09	0.31	3,751.66	0.50
Alarm System Monitoring	7,000.00	11.23	83,429.34	11.02
Common Area Landscape Maint	10,195.00	16.36	126,912.50	16.77
L/S - Canal Banks & Cul De Sac	0.00	0.00	15,075.00	1.99
Common Area Landscape Extras	0.00	0.00	3,030.00	0.40
Irrigation Maintenance	1,224.15	1.96	5,237.85	0.69
Bulk Cable TV	9,397.96	15.08	103,217.97	13.64
Fountain Maintenance	600.00	0.96	1,949.62	0.26
Gate Access Control	17,217.31	27.63	145,080.82	19.17
Gate Maintenance	59.50	0.10	219.50	0.03
Gatehouse Phones	394.64	0.63	3,714.75	0.49
Lake Maintenance	500.00	0.80	6,000.00	0.79
General Repairs & Maint	370.00	0.59	5,407.74	0.71
Rust Control System	750.00	1.20	9,180.00	1.21
Vandalism	0.00	0.00	5.00	0.00
TOTAL OPERATING EXPENSES	51,166.98	82.11	549,693.77	72.64
RECREATION AREA :				
Trash Removal	100.44	0.16	1,497.71	0.20
Electricity	1,973.80	3.17	23,633.46	3.12
Telephone	208.80	0.34	3,889.85	0.51
Landscape Maintenance	0.00	0.00	15,750.00	2.08
Landscape Extras	95.85	0.15	13,186.80	1.74
Janitorial & Supplies	1,325.00	2.13	14,938.06	1.97
Pool & Spa Maintenance	960.00	1.54	12,883.89	1.70
Air Conditioning Maint	0.00	0.00	143.00	0.02
Excercise Equipment Maint	0.00	0.00	1,521.76	0.20
Recreation / Pool Lock Up	620.00	0.99	7,759.50	1.03
Recreation Area & Maint	101.86	0.16	7,948.37	1.05
Bad Debts	0.00	0.00	1,930.64	0.26
Hurricane Expenses	0.00	0.00	3,653.61	0.48
Hurricane Wilma	0.00	0.00	5,116.63	0.68
TOTAL RECREATION AREA EXP	5,385.75	8.64	113,853.28	15.05
TOTAL EXPENSES	66,699.82	107.04	746,566.41	98.66
NET INCOME	-4,388.23	-7.04	10,175.06	1.34

**Budget Comparison (Accrual)
Consolidated Statement
Dec 05**

Page 1
NWEST
1/5/2006
12:39 PM

	MTD Actual	MTD Budget	\$ Var.	% Var.	YTD Actual	YTD Budget	\$ Var.	% Var.	Annual
INCOME									
Maintenance Assessments	62,280.19	62,094.00	186.19	0.30	737,216.07	745,128.00	-7,911.93	-1.06	745,128.00
Late Fees	-125.00	0.00	-125.00	0	7,651.10	0.00	7,651.10	0	0.00
Interest Inc- Operating	106.40	0.00	106.40	0	914.30	0.00	914.30	0	0.00
Capital Contributions	0.00	0.00	0.00	0	8,550.00	0.00	8,550.00	0	0.00
Gate Cards	50.00	0.00	50.00	0	1,025.00	0.00	1,025.00	0	0.00
Misc Income	0.00	0.00	0.00	0	760.00	0.00	760.00	0	0.00
GRS processing fee	0.00	0.00	0.00	0	625.00	0.00	625.00	0	0.00
TOTAL INCOME	62,311.59	62,094.00	217.59	0.35	756,741.47	745,128.00	11,613.47	1.56	745,128.00
ADMINISTRATIVE EXPENSES									
Management Contract	3,792.00	3,792.00	0.00	0.00	44,974.94	45,504.00	529.06	1.16	45,504.00
Office Expenses	62.58	364.13	301.55	82.81	10,821.69	4,370.00	-6,451.69	-147.6	4,370.00
Legal	0.00	116.63	116.63	100.00	675.18	1,400.00	724.82	51.77	1,400.00
Licenses/Fees/Taxes	211.44	148.25	-63.19	-42.62	868.94	1,779.00	910.06	51.16	1,779.00
Annual Review/Tax Prep	0.00	291.63	291.63	100.00	2,250.00	3,500.00	1,250.00	35.71	3,500.00
Insurance	6,081.07	1,393.50	-4,687.57	-336.3	23,428.61	16,722.00	-6,706.61	-40.11	16,722.00
TOTAL ADMIN EXPENSES	10,147.09	6,108.14	-4,040.95	-66.18	83,019.36	73,275.00	-9,744.36	-13.30	73,275.00
OPERATING EXPENSES									
Electric	3,268.33	3,500.00	231.67	6.62	37,482.02	42,000.00	4,517.98	10.76	42,000.00
Water/Sewer	190.09	375.00	184.91	49.31	3,751.66	4,500.00	748.34	16.63	4,500.00
Alarm System Monitoring	7,000.00	7,104.50	104.50	1.47	83,429.34	85,254.00	1,824.66	2.14	85,254.00
Common Area Landscape Maint	10,195.00	10,635.75	440.75	4.14	126,912.50	127,629.00	716.50	0.56	127,629.00
L/S - Canal Banks & Cul De Sac	0.00	1,675.00	1,675.00	100.00	15,075.00	20,100.00	5,025.00	25.00	20,100.00
Common Area Landscape Extras	0.00	625.00	625.00	100.00	3,030.00	7,500.00	4,470.00	59.60	7,500.00
Tree Trimming	0.00	625.00	625.00	100.00	0.00	7,500.00	7,500.00	100.00	7,500.00
Irrigation Maintenance	1,224.15	166.63	-1,057.52	-634.6	5,237.85	2,000.00	-3,237.85	-161.8	2,000.00
Bulk Cable TV	9,397.96	10,013.50	615.54	6.15	103,217.97	120,162.00	16,944.03	14.10	120,162.00
Fountain Maintenance	600.00	75.00	-525.00	-700.0	1,949.62	900.00	-1,049.62	-116.6	900.00
Gate Access Control	17,217.31	11,093.37	-6,123.94	-55.20	145,080.82	133,120.00	-11,960.82	-8.98	133,120.00
Gate Maintenance	59.50	333.37	273.87	82.15	219.50	4,000.00	3,780.50	94.51	4,000.00
Gatehouse Phones	394.64	250.00	-144.64	-57.86	3,714.75	3,000.00	-714.75	-23.83	3,000.00
Lake Maintenance	500.00	541.63	41.63	7.69	6,000.00	6,500.00	500.00	7.69	6,500.00
General Repairs & Maint	370.00	254.87	-115.13	-45.17	5,407.74	3,058.00	-2,349.74	-76.84	3,058.00
Rust Control System	750.00	960.00	210.00	21.88	9,180.00	11,520.00	2,340.00	20.31	11,520.00
Vandalism	0.00	0.00	0.00	0	5.00	0.00	-5.00	0	0.00
TOTAL OPERATING EXPENSES	51,166.98	48,228.62	-2,938.36	-6.09	549,693.77	578,743.00	29,049.23	5.02	578,743.00
RECREATION AREA :									
Trash Removal	100.44	65.00	-35.44	-54.52	1,497.71	780.00	-717.71	-92.01	780.00
Electricity	1,973.80	2,000.00	26.20	1.31	23,633.46	24,000.00	366.54	1.53	24,000.00
Telephone	208.80	240.00	31.20	13.00	3,889.85	2,880.00	-1,009.85	-35.06	2,880.00
Landscape Maintenance	0.00	1,750.00	1,750.00	100.00	15,750.00	21,000.00	5,250.00	25.00	21,000.00
Landscape Extras	95.85	670.87	575.02	85.71	13,186.80	8,050.00	-5,136.80	-63.81	8,050.00
Janitorial & Supplies	1,325.00	1,250.00	-75.00	-6.00	14,938.06	15,000.00	61.94	0.41	15,000.00
Pool & Spa Maintenance	960.00	691.63	-268.37	-38.80	12,883.89	8,300.00	-4,583.89	-55.23	8,300.00
Air Conditioning Maint	0.00	50.00	50.00	100.00	143.00	600.00	457.00	76.17	600.00
Exercise Equipment Maint	0.00	104.13	104.13	100.00	1,521.76	1,250.00	-271.76	-21.74	1,250.00
Recreation / Pool Lock Up	620.00	671.63	51.63	7.69	7,759.50	8,060.00	300.50	3.73	8,060.00
Recreation Area & Maint	101.86	265.87	164.01	61.69	7,948.37	3,190.00	-4,758.37	-149.1	3,190.00
Bad Debts	0.00	0.00	0.00	0	1,930.64	0.00	-1,930.64	0	0.00
Hurricane Expenses	0.00	0.00	0.00	0	3,653.61	0.00	-3,653.61	0	0.00
Hurricane Wilma	0.00	0.00	0.00	0	5,116.63	0.00	-5,116.63	0	0.00
TOTAL RECREATION AREA EXP	5,385.75	7,759.13	2,373.38	30.59	113,853.28	93,110.00	-20,743.28	-22.28	93,110.00
TOTAL EXPENSES	66,699.82	62,093.89	-4,605.93	-7.42	746,566.41	745,128.00	-1,438.41	-0.19	745,128.00
NET INCOME	-4,388.23	0.11	-4,388.34	-3,989	10,175.05	0.00	10,175.05	0	0.00

NAUTICA WEST HOMEOWNERS ASSOC
ACCOUNTS PAYABLE SCHEDULE
DECEMBER 31, 2006

AQUA-CLEAR POOL MAINT. INC.	1,435.00
AQUA PRO IRRIGATION, INC	1,974.15
APPLICATIONS BY DESIGN, INC.	315.00
COMMERCIAL SOUND	50.93
EAGLE VIP SECURITY, INC.	11,099.62
FLORIDA POWER & LIGHT	5,242.13
JOHN BLACKWELL	620.00
PALM BEACH COUNTY WATER	190.09
SECURITY SOURCE	21,000.00
TOP CUT LAWN SVC	10,195.00
	<hr/>
	52,121.92
	<hr/> <hr/>