

Dear Owner:

The 2019 Audit Summary is being distributed to Owners as outlined in the Desert Springs Villas II Timeshare Association Bylaws Article IX Miscellaneous, Section 9.6 Annual Report to Members (b). The enclosed documents are subject to approval by the Board of Directors at the upcoming Board Meeting.

For questions or a complete copy of the Audit, please contact Matthew Gardell by phone at 760-837-4958 or by email at matthew.gardell@vacationclub.com.

Warm regards,

Peter Antinoph
General Manager
Marriott's Desert Springs Villas II

Desert Springs Villas Master Association
Summary Report on Audit of Financial Statements
Years Ended December 31, 2019

Balance Sheet

	Operating	Reserves	2019 Total
Assets:			
Cash and cash equivalents	\$ 758,039	\$ 701,212	\$ 1,459,251
Other Assets	822,117	2,262,021	3,084,138
Total Assets	<u>\$ 1,580,156</u>	<u>\$ 2,963,233</u>	<u>\$ 4,543,389</u>
Liabilities and Fund Balances:			
Accrued Expenses	\$ 62,889	\$ -	\$ 62,889
Contract Liability	-	1,855,756	1,855,756
Other Liabilities	1,528,130	1,107,477	2,635,607
Fund Balances	(10,863)	-	(10,863)
Total Liabilities and Fund Balances	<u>\$ 1,580,156</u>	<u>\$ 2,963,233</u>	<u>\$ 4,543,389</u>

Operating Fund - Income Statement

	2019 Total
Total Revenues	\$ 2,366,237
Total Expenses	<u>(2,399,039)</u>
Excess (Deficit) of Revenues over Expenses	(32,802)
Fund Balance - Beginning of Year	<u>21,939</u>
Fund Balance - End of Year	<u>\$ (10,863)</u>

Reserve Fund - Income Statement

	2019 Total
Total Revenues	\$ 607,014
Total Expenses	<u>(607,014)</u>
Excess (Deficit) of Revenues over Expenses	-
Fund Balance - Beginning of Year	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>

For a complete copy of the audited financial statements, please contact the Director of Finance, Matthew Gardell, at Matthew.Gardell@vacationclub.com.
Desert Springs Villas Master Association financial statements were audited by Myers, Brettholtz & Company, PA.

Desert Springs Villas II Timeshare Association
Summary Report on Audit of Financial Statements
Years Ended December 31, 2019

Balance Sheet

	<u>Operating</u>	<u>Reserves</u>	<u>2019 Total</u>
Assets:			
Cash and cash equivalents	\$ 5,483,863	\$ 1,959,337	\$ 7,443,200
Other Assets	7,925,564	15,064,493	22,990,057
Total Assets	<u>\$ 13,409,427</u>	<u>\$ 17,023,830</u>	<u>\$ 30,433,257</u>
Liabilities and Fund Balances:			
Accrued Expenses	\$ 339,456	\$ 4,006	\$ 343,462
Contract Liability	-	11,156,787	11,156,787
Other Liabilities	10,978,937	5,863,037	16,841,974
Fund Balances	2,091,034	-	2,091,034
Total Liabilities and Fund Balances	<u>\$ 13,409,427</u>	<u>\$ 17,023,830</u>	<u>\$ 30,433,257</u>

Operating Fund - Income Statement

	<u>2019 Total</u>
Total Revenues	\$ 17,881,983
Total Expenses	<u>(17,288,519)</u>
Excess (Deficit) of Revenues over Expenses	593,464
Fund Balance - Beginning of Year	<u>1,497,570</u>
Fund Balance - End of Year	<u>\$ 2,091,034</u>

Reserve Fund - Income Statement

	<u>2019 Total</u>
Total Revenues	\$ 1,284,609
Total Expenses	<u>(1,284,609)</u>
Excess (Deficit) of Revenues over Expenses	-
Fund Balance - Beginning of Year	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>

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