

Dear Owner:

Attached, please find the 2019 Audit Report Summaries for Newport Coast Villas Master Association, Newport Coast Villas Condominium Association and Newport Coast Villas Timeshare Association. These reports are being provided as outlined in Newport Coast Villas Master Declaration of Covenants Conditions and Restrictions (CC&R's), Article III, 3.4 Duties of the Master Association (b) Budget and Annual Report (2) and Master Declaration of CC&R's, Article I, Definitions, 1.3 Annual Report; Newport Coast Villas Timeshare Association Bylaws, Exhibit B, Management Agreement, Article III, Services of Managing Agent, 3.6 Financial Services, (b) Financial Statements; and Newport Coast Villas Condominium Association Declaration of CC&Rs, Article VI Management, 6.2 Specific Powers and Duties of the Condominium Association, (b) Budget and Annual Report (1). **The complete Annual Reports are available at the business office of the Timeshare Association and copies will be provided upon an Owner's request at the expense of the Timeshare Association.**

If you would like to request a copy of the full Audit please contact Lisa Romero, Executive Assistant, by phone at (949) 464-6002 or by email at lisa.romero@vacationclub.com.

Financial questions should be directed to Edgar Ramirez, Director of Finance, at edgar.ramirez@vacationclub.com.

Of course, I remain available to answer any questions that you prefer to direct to my attention at james.marks@vacationclub.com.

Sincerely,

James Marks
General Manager
Marriott's Newport Coast Villas

Newport Coast Master Association
Summary Report on Audit of Financial Statements
For the Year Ended December 31, 2019

Balance Sheet			
	Operating	Reserves	2019 Total
Assets:			
Cash and Investments	\$ 951,798	\$ 5,318,153	\$ 6,269,951
Other Assets	1,032,763	1,000,914	2,033,677
Total Assets	\$ 1,984,561	\$ 6,319,067	\$ 8,303,628
Liabilities and Fund Balances:			
Accrued Expenses	\$ 88,146	\$ 250,000	\$ 338,146
Contract Liability	-	4,794,116	4,794,116
Other Liabilities	1,684,722	1,274,951	2,959,673
Fund Balances	211,693	-	211,693
Total Liabilities and Fund Balances	\$ 1,984,561	\$ 6,319,067	\$ 8,303,628

Operating Fund - Income Statement	
	2019 Total
Total Revenues	\$ 3,557,928
Total Expenses	(3,520,629)
Excess (Deficit) of Revenues over Expenses	37,299
Fund Balance - Beginning of Year	174,394
Fund Balance - End of Year	\$ 211,693

Reserve Fund - Income Statement	
	2019 Total
Total Revenues	\$ 3,549,680
Total Expenses	(3,549,680)
Excess (Deficit) of Revenues over Expenses	-
Fund Balance - Beginning of Year	-
Fund Balance - End of Year	\$ -

For a complete copy of the audited financial statements, please contact the Director of Finance, Edgar Ramirez, at Edgar.Ramirez@vacationclub.com. Newport Coast Master Association financial statements were audited by RSM US LLP.

Newport Coast Condominium Association
Summary Report on Audit of Financial Statements
For the Year Ended December 31, 2019

Balance Sheet

	<u>Operating</u>	<u>Reserves</u>	<u>2019 Total</u>
Assets:			
Cash and Investments	\$ 1,131,923	\$ 11,586,661	\$ 12,718,584
Other Assets	2,112,805	933,785	3,046,590
Total Assets	<u>\$ 3,244,728</u>	<u>\$ 12,520,446</u>	<u>\$ 15,765,174</u>
Liabilities and Fund Balances:			
Accrued Expenses	\$ 155,308	\$ 458,466	\$ 613,774
Contract Liability	-	10,839,730	10,839,730
Other Liabilities	2,448,949	1,222,250	3,671,199
Fund Balances	640,471	-	640,471
Total Liabilities and Fund Balances	<u>\$ 3,244,728</u>	<u>\$ 12,520,446</u>	<u>\$ 15,765,174</u>

Operating Fund - Income Statement

	<u>2019 Total</u>
Total Revenues	\$ 5,395,532
Total Expenses	<u>(5,327,555)</u>
Excess (Deficit) of Revenues over Expenses	67,977
Fund Balance - Beginning of Year	<u>572,494</u>
Fund Balance - End of Year	<u>\$ 640,471</u>

Reserve Fund - Income Statement

	<u>2019 Total</u>
Total Revenues	\$ 2,655,246
Total Expenses	<u>(2,655,246)</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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Newport Coast Timeshare Association
Summary Report on Audit of Financial Statements
For the Year Ended December 31, 2019

Balance Sheet			
	Operating	Reserves	2019 Total
Assets:			
Cash and Investments	\$ 5,988,001	\$ 27,821,018	\$ 33,809,019
Other Assets	7,985,179	3,426,340	11,411,519
Total Assets	\$ 13,973,180	\$ 31,247,358	\$ 45,220,538
Liabilities and Fund Balances:			
Accrued Expenses	\$ 854,766	\$ 68,747	\$ 923,513
Contract Liability	-	25,658,898	25,658,898
Other Liabilities	11,697,204	5,519,713	17,216,917
Fund Balances	1,421,210	-	1,421,210
Total Liabilities and Fund Balances	\$ 13,973,180	\$ 31,247,358	\$ 45,220,538

Operating Fund - Income Statement	
	2019 Total
Total Revenues	\$ 24,036,136
Total Expenses	(23,808,384)
Excess (Deficit) of Revenues over Expenses	227,752
Fund Balance - Beginning of Year	1,193,458
Fund Balance - End of Year	\$ 1,421,210

Reserve Fund - Income Statement	
	2019 Total
Total Revenues	\$ 6,699,748
Total Expenses	(6,699,748)
Excess (Deficit) of Revenues over Expenses	-
Fund Balance - Beginning of Year	-
Fund Balance - End of Year	\$ -

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