

April 30, 2019

Dear Owner:

The 2018 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@vactionclub.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, 2018 and 2017

Balance Sheet				
	<u>Operating</u>	<u>Reserves</u>	<u>2018 Total</u>	<u>2017 Total</u>
Assets:				
Cash and cash equivalents	\$ 587,246	\$ 219,563	\$ 806,809	\$ 1,238,623
Other Assets	742,534	1,509,676	2,252,210	1,147,935
Total Assets	<u>\$ 1,329,780</u>	<u>\$ 1,729,239</u>	<u>\$ 3,059,019</u>	<u>\$ 2,386,558</u>
Liabilities and Fund Balances:				
Accrued Expenses	\$ 73,896	\$ 3,213	\$ 77,109	\$ 75,328
Other Liabilities	1,214,880	842,032	2,056,912	1,857,734
Fund Balances	41,004	883,994	924,998	453,496
Total Liabilities and Fund Balances	<u>\$ 1,329,780</u>	<u>\$ 1,729,239</u>	<u>\$ 3,059,019</u>	<u>\$ 2,386,558</u>

Operating Fund - Income Statement			
	<u>2018 Total</u>	<u>2017 Total</u>	
Total Revenues	\$ 2,318,519	\$ 2,140,335	
Total Expenses	(2,294,014)	(2,136,415)	
Excess (Deficit) of Revenues over Expenses	24,505	3,920	
Fund Balance - Beginning of Year	16,499	12,579	
Fund Balance - End of Year	<u>\$ 41,004</u>	<u>\$ 16,499</u>	

Reserve Fund - Income Statement			
	<u>2018 Total</u>	<u>2017 Total</u>	
Total Revenues	\$ 1,363,293	\$ 1,248,504	
Total Expenses	(916,296)	(1,315,300)	
Excess (Deficit) of Revenues over Expenses	446,997	(66,796)	
Fund Balance - Beginning of Year	436,997	503,793	
Fund Balance - End of Year	<u>\$ 883,994</u>	<u>\$ 436,997</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 statement were audited by PricewaterhouseCoopers LLP.

Desert Springs Villas II Timeshare Association
Summary Report on Audit of Financial Statements
Years Ended December 31, 2018 and 2017

Balance Sheet

	Operating	Reserves	2018 Total	2017 Total
Assets:				
Cash and cash equivalents	\$ 4,016,035	\$ 2,022,109	\$ 6,038,144	\$ 9,706,339
Other Assets	7,808,883	6,117,136	13,926,019	8,730,172
Total Assets	\$ 11,824,918	\$ 8,139,245	\$ 19,964,163	\$ 18,436,511
Liabilities and Fund Balances:				
Accrued Expenses	\$ 362,385	\$ 368,464	\$ 730,849	\$ 399,274
Other Liabilities	9,767,824	5,286,304	15,054,128	13,575,255
Fund Balances	1,694,709	2,484,477	4,179,186	4,461,982
Total Liabilities and Fund Balances	\$ 11,824,918	\$ 8,139,245	\$ 19,964,163	\$ 18,436,511

Operating Fund - Income Statement

	2018 Total	2017 Total
Total Revenues	\$ 17,452,607	\$ 16,411,001
Total Expenses	(16,971,403)	(16,278,172)
Excess (Deficit) of Revenues over Expenses	481,204	132,829
Fund Balance - Beginning of Year	1,213,505	1,080,676
Fund Balance - End of Year	\$ 1,694,709	\$ 1,213,505

Reserve Fund - Income Statement

	2018 Total	2017 Total
Total Revenues	\$ 8,934,195	\$ 8,925,742
Total Expenses	(9,698,195)	(11,170,165)
Excess (Deficit) of Revenues over Expenses	(764,000)	(2,244,423)
Fund Balance - Beginning of Year	3,248,477	5,492,900
Fund Balance - End of Year	\$ 2,484,477	\$ 3,248,477

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