

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](mailto: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**

<b>Balance Sheet</b>				
	<u>Operating</u>	<u>Reserves</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>Assets:</b>				
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
<b>Total Assets</b>	<u>\$ 1,329,780</u>	<u>\$ 1,729,239</u>	<u>\$ 3,059,019</u>	<u>\$ 2,386,558</u>
<b>Liabilities and Fund Balances:</b>				
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
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,329,780</u>	<u>\$ 1,729,239</u>	<u>\$ 3,059,019</u>	<u>\$ 2,386,558</u>

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

<b>Reserve Fund - Income Statement</b>			
	<u>2018 Total</u>	<u>2017 Total</u>	
<b>Total Revenues</b>	\$ 1,363,293	\$ 1,248,504	
<b>Total Expenses</b>	(916,296)	(1,315,300)	
<b>Excess (Deficit) of Revenues over Expenses</b>	446,997	(66,796)	
<b>Fund Balance - Beginning of Year</b>	436,997	503,793	
<b>Fund Balance - End of Year</b>	<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
<b>Assets:</b>				
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
<b>Total Assets</b>	<b>\$ 11,824,918</b>	<b>\$ 8,139,245</b>	<b>\$ 19,964,163</b>	<b>\$ 18,436,511</b>
<b>Liabilities and Fund Balances:</b>				
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
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,824,918</b>	<b>\$ 8,139,245</b>	<b>\$ 19,964,163</b>	<b>\$ 18,436,511</b>

**Operating Fund - Income Statement**

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

**Reserve Fund - Income Statement**

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

For a complete copy of the audited financial statements, please contact the Director of Finance, Matthew Gardell, at [Matthew.Gardell@vacationclub.com](mailto:Matthew.Gardell@vacationclub.com).  
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