

April 30, 2018

Dear Marriott's Desert Springs Villas II Owner:

The 2017 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,

*Bill Gunderson*

General Manager

Marriott's Desert Springs Villas II

**Desert Springs Villas Master Association**  
**Summary Report on Audit of Financial Statements**  
**Years Ended December 31, 2017 and 2016**

<b>Balance Sheet</b>				
	<b>Operating</b>	<b>Reserves</b>	<b>2017 Total</b>	<b>2016 Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 655,971	\$ 582,652	\$ 1,238,623	\$ 1,521,386
Other Assets	578,624	569,311	1,147,935	448,027
<b>Total Assets</b>	<b>\$ 1,234,595</b>	<b>\$ 1,151,963</b>	<b>\$ 2,386,558</b>	<b>\$ 1,969,413</b>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 71,318	\$ 4,010	\$ 75,328	\$ 113,805
Other Liabilities	1,146,778	710,956	1,857,734	1,339,236
Fund Balances	16,499	436,997	453,496	516,372
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,234,595</b>	<b>\$ 1,151,963</b>	<b>\$ 2,386,558</b>	<b>\$ 1,969,413</b>

<b>Operating Fund - Income Statement</b>			
	<b>2017 Total</b>	<b>2016 Total</b>	
<b>Total Revenues</b>	\$ 2,140,335	\$ 2,027,992	
<b>Total Expenses</b>	(2,136,415)	(2,027,743)	
<b>Excess (Deficit) of Revenues over Expenses</b>	3,920	249	
<b>Fund Balance - Beginning of Year</b>	12,579	12,330	
<b>Fund Balance - End of Year</b>	<b>\$ 16,499</b>	<b>\$ 12,579</b>	

<b>Reserve Fund - Income Statement</b>			
	<b>2017 Total</b>	<b>2016 Total</b>	
<b>Total Revenues</b>	\$ 1,248,504	\$ 1,146,155	
<b>Total Expenses</b>	(1,315,300)	(1,277,324)	
<b>Excess (Deficit) of Revenues over Expenses</b>	(66,796)	(131,169)	
<b>Fund Balance - Beginning of Year</b>	503,793	634,962	
<b>Fund Balance - End of Year</b>	<b>\$ 436,997</b>	<b>\$ 503,793</b>	

For a complete copy of the audited financial statement, please contact the Area Director of Finance, Scott Wilkerson, at Scott.Wilkerson@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, 2017 and 2016**

**Balance Sheet**

	Operating	Reserves	2017 Total	2016 Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,649,613	\$ 5,056,726	\$ 9,706,339	\$ 8,819,031
Other Assets	5,809,458	2,920,714	8,730,172	8,314,835
<b>Total Assets</b>	<u>\$ 10,459,071</u>	<u>\$ 7,977,440</u>	<u>\$ 18,436,511</u>	<u>\$ 17,133,866</u>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 348,433	\$ 50,841	\$ 399,274	\$ 384,747
Other Liabilities	8,897,133	4,678,122	13,575,255	10,175,543
Fund Balances	1,213,505	3,248,477	4,461,982	6,573,576
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,459,071</u>	<u>\$ 7,977,440</u>	<u>\$ 18,436,511</u>	<u>\$ 17,133,866</u>

**Operating Fund - Income Statement**

	2017 Total	2016 Total
Total Revenues	\$ 16,411,001	\$ 15,253,907
Total Expenses	(16,278,172)	(15,294,008)
<b>Excess (Deficit) of Revenues over Expenses</b>	132,829	(40,101)
Fund Balance - Beginning of Year	1,080,676	1,120,777
<b>Fund Balance - End of Year</b>	<u>\$ 1,213,505</u>	<u>\$ 1,080,676</u>

**Reserve Fund - Income Statement**

	2017 Total	2016 Total
Total Revenues	\$ 8,925,742	\$ 8,562,692
Total Expenses	(11,170,165)	(12,063,117)
<b>Excess (Deficit) of Revenues over Expenses</b>	(2,244,423)	(3,500,425)
Fund Balance - Beginning of Year	5,492,900	8,993,325
<b>Fund Balance - End of Year</b>	<u>\$ 3,248,477</u>	<u>\$ 5,492,900</u>

For a complete copy of the audited financial statement, please contact the Area Director of Finance, Scott Wilkerson, at Scott.Wilkerson@vacationclub.com.  
Desert Springs Villas II Timeshare Association financial statement were audited by PriceWaterhouseCoopers LLP.