

April 2018

Dear Marriott's Ko Olina Beach Club Owner,

The 2017 Audit Report Summary for the Ko Olina Beach Club Vacation Owners Association is enclosed for your review.

If you have questions, please contact Judith Guillermo, Director of Finance, by phone at 808-679-4711 or via email at judith.guillermo@vacationclub.com.

Sincerely,

John Krause

Treasurer

Ko Olina Beach Club Vacation Owners Association

Enclosure

Ko Olina Beach Club Vacation Owners Association
 Summary Report on Audit of Financial Statements
 Fiscal Years Ended December 31, 2017 and December 30, 2016

| Balance Sheet | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Operating | Reserve | 2017 Total | 2016 Total |
| Assets: | | | | |
| Cash and Investments | \$ 29,351,722 | \$ 9,947,453 | \$ 39,299,175 | \$ 33,838,015 |
| Other Assets | 3,464,488 | 416,939 | \$ 3,881,427 | \$ 3,421,760 |
| Total Assets | \$ 32,816,210 | \$ 10,364,392 | \$ 43,180,602 | \$ 37,259,775 |
| Liabilities and Fund Balances: | | | | |
| Accrued expenses | \$ 1,013,232 | \$ 67,557 | \$ 1,080,789 | \$ 879,468 |
| Other Liabilities | 28,038,897 | 4,904,525 | \$ 32,943,422 | \$ 30,179,271 |
| Fund Balances | 3,764,081 | 5,392,310 | \$ 9,156,391 | \$ 6,201,036 |
| Total Liabilities and Fund Balances | \$ 32,816,210 | \$ 10,364,392 | \$ 43,180,602 | \$ 37,259,775 |

| Operating Fund - Income Statement | | | |
|--|--|---------------|---------------|
| | | 2017 Total | 2016 Total |
| Total Revenues | | \$ 52,168,603 | \$ 50,920,104 |
| Total Expenses | | (52,060,761) | (49,925,935) |
| Excess (Deficit) of Revenues over Expenses | | 107,842 | 994,169 |
| Fund Balance, Beginning of Year | | 3,656,239 | 2,662,070 |
| Fund Balance, End of Year | | \$ 3,764,081 | \$ 3,656,239 |

| Reserve for Replacement - Income Statement | | | |
|--|--|---------------|---------------|
| | | 2017 Total | 2016 Total |
| Total Revenues | | \$ 8,281,369 | \$ 7,392,932 |
| Total Expenses | | (5,433,856) | (14,699,726) |
| Excess (Deficit) of Revenues over Expenses | | 2,847,513 | (7,306,794) |
| Fund Balance, Beginning of Year | | 2,544,797 | 9,851,591 |
| Fund Balance, End of Year | | \$ 5,392,310 | \$ 2,544,797 |

For a complete copy of audited financial statements, please contact the Director of Finance, Judith Guillermo at judith.guillermo@vacationclub.com.
 Ko Olina Beach Club Vacation Owners Association's financial statements were audited by PricewaterhouseCoopers.

**Ko Olina Beach Club Vacation Owners Association
Board of Directors**

| Name/Address | Phone/Fax/Email | Office | Term |
|--|--|-------------------------|-----------|
| <p style="text-align: center;">Craig Simpson c/o Marriott's Ko Olina Beach Club Executive Offices 92-161 Waipahe Place Kapolei, HI 96707</p> | <p style="text-align: center;">Ph: 808-679-4708 F: 808-679-4880 OwnerBoard.KoOlina@vacationclub.com</p> | President | 2015-2018 |
| <p style="text-align: center;">Sharon Andelora c/o Marriott's Ko Olina Beach Club Executive Offices 92-161 Waipahe Place Kapolei, HI 96707</p> | <p style="text-align: center;">Ph: 808-679-4708 F: 808-679-4880 OwnerBoard.KoOlina@vacationclub.com</p> | Vice President | 2016-2019 |
| <p style="text-align: center;">John Krause c/o Marriott's Ko Olina Beach Club Executive Offices 92-161 Waipahe Place Kapolei, HI 96707</p> | <p style="text-align: center;">Ph: 808-679-4708 F: 808-679-4880 OwnerBoard.KoOlina@vacationclub.com</p> | Secretary/ Treasurer | 2016-2019 |
| <p style="text-align: center;">Andrew McGovern c/o Marriott's Ko Olina Beach Club Executive Offices 92-161 Waipahe Place Kapolei, HI 96707</p> | <p style="text-align: center;">Ph: 808-679-4708 F: 808-679-4880 OwnerBoard.KoOlina@vacationclub.com</p> | Director | 2017-2020 |
| <p style="text-align: center;">Charles Baron c/o Marriott's Ko Olina Beach Club Executive Offices 92-161 Waipahe Place Kapolei, HI 96707</p> | <p style="text-align: center;">Ph: 808-679-4708 F: 808-679-4880 OwnerBoard.KoOlina@vacationclub.com</p> | Director | 2015-2018 |

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