

Dear Owner:

Please find the 2019 Audit Report Summaries for Shadow Ridge Master Association, Shadow Ridge Timeshare Association and Shadow Ridge Condominium Association. The reports are being provided as outlined in Shadow Ridge Master Association Declaration, Section 3.4; Shadow Ridge Timeshare Association Declaration, Article IV Management, Section 4.2, and Shadow Ridge Condominium Association Declaration, Article VI Management, 6.2. **The complete Audit Reports are available at the business office of the Associations and copies will be provided upon an Owner's request at the expense of Associations.**

Please also consider opting-in to receive mailings required by the Association's governing documents or applicable law via electronic transmission through an email address. Examples of required mailings may include: notices of meetings, financial statements, budgets and amendments to the governing documents.

In order to receive these items by electronic transmission, Owners must first explicitly provide consent (or "opt-in"). Consent to receive required mailings by electronic transmission is effective unless it is revoked at a later time.

To opt-in, log into your Owner account on [MarriottVacationClub.com](http://MarriottVacationClub.com). Click on "Account", click on "Profile", click on "Register for Online Document Notification". Edit Settings.

If you have any questions about the Audit Report, please contact my Executive Assistant, Rhett Clements, by phone at 760-674-2605 or by email at [MVCISROB@vacationclub.com](mailto:MVCISROB@vacationclub.com).

Sincerely,

Matthew Barker  
General Manager  
Marriott's Shadow Ridge

**Shadow Ridge Master 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>
<b>Assets:</b>			
Cash and Investments	\$ 486,186	\$ 881,124	\$ 1,367,310
Other Assets	41,510	2,819	44,329
<b>Total Assets</b>	<u>\$ 527,696</u>	<u>\$ 883,943</u>	<u>\$ 1,411,639</u>
<b>Liabilities and Fund Balances:</b>			
Accrued Expenses	\$ 27,540	\$ -	\$ 27,540
Contract Liability	-	771,046	771,046
Other Liabilities	357,001	112,897	469,898
Fund Balances	143,155	-	143,155
<b>Total Liabilities and Fund Balances</b>	<u>\$ 527,696</u>	<u>\$ 883,943</u>	<u>\$ 1,411,639</u>

**Operating Fund - Income Statement**

	<u>2019 Total</u>
Total Revenues	\$ 709,621
Total Expenses	<u>(692,095)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	17,526
Fund Balance - Beginning of Year	<u>125,629</u>
<b>Fund Balance - End of Year</b>	<u>\$ 143,155</u>

**Reserve Fund - Income Statement**

	<u>2019 Total</u>
Total Revenues	\$ 84,874
Total Expenses	<u>(84,874)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	-
Fund Balance - Beginning of Year	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>

For a complete copy of the audited financial statements, please contact the Director of Finance, Nick Enders, at [Nick.Enders@vacationclub.com](mailto:Nick.Enders@vacationclub.com). Shadow Ridge Master Association financial statements were audited by Crowe LLP.

**Shadow Ridge 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>
<b>Assets:</b>			
Cash and Investments	\$ 1,926,797	\$ 6,383,457	\$ 8,310,254
Other Assets	1,207,100	(675,804)	531,296
<b>Total Assets</b>	<u><u>\$ 3,133,897</u></u>	<u><u>\$ 5,707,653</u></u>	<u><u>\$ 8,841,550</u></u>
<b>Liabilities and Fund Balances:</b>			
Accrued Expenses	\$ 179,858	\$ 38,142	\$ 218,000
Contract Liability	-	4,136,083	4,136,083
Other Liabilities	2,856,564	1,533,428	4,389,992
Fund Balances	97,475	-	97,475
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 3,133,897</u></u>	<u><u>\$ 5,707,653</u></u>	<u><u>\$ 8,841,550</u></u>

**Operating Fund - Income Statement**

	<u>2019 Total</u>
Total Revenues	\$ 5,103,736
Total Expenses	<u>(4,982,041)</u>
Excess (Deficit) of Revenues over Expenses	121,695
Fund Balance - Beginning of Year	<u>(24,220)</u>
Fund Balance - End of Year	<u><u>\$ 97,475</u></u>

**Reserve Fund - Income Statement**

	<u>2019 Total</u>
Total Revenues	\$ 3,891,410
Total Expenses	<u>(3,891,410)</u>
Excess (Deficit) of Revenues over Expenses	-
Fund Balance - Beginning of Year	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>

For a complete copy of the audited financial statements, please contact the Director of Finance , Nick Enders, at [Nick.Enders@vacationclub.com](mailto:Nick.Enders@vacationclub.com). Shadow Ridge Condominium Association financial statements were audited by Crowe LLP.

**Shadow Ridge Timeshare 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>
<b>Assets:</b>			
Cash and Investments	\$ 13,889,508	\$ 31,341,390	\$ 45,230,898
Other Assets	2,277,970	(639,613)	1,638,357
<b>Total Assets</b>	<u>\$ 16,167,478</u>	<u>\$ 30,701,777</u>	<u>\$ 46,869,255</u>
<b>Liabilities and Fund Balances:</b>			
Accrued Expenses	\$ 964,285	\$ 22,318	\$ 986,603
Contract Liability	-	25,451,948	25,451,948
Other Liabilities	15,011,853	5,227,511	20,239,364
Fund Balances	191,340	-	191,340
<b>Total Liabilities and Fund Balances</b>	<u>\$ 16,167,478</u>	<u>\$ 30,701,777</u>	<u>\$ 46,869,255</u>

**Operating Fund - Income Statement**

	<u>2019 Total</u>
<b>Total Revenues</b>	\$ 28,230,651
<b>Total Expenses</b>	<u>(27,964,751)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	265,900
<b>Fund Balance - Beginning of Year</b>	<u>(74,560)</u>
<b>Fund Balance - End of Year</b>	<u>\$ 191,340</u>

**Reserve Fund - Income Statement**

	<u>2019 Total</u>
<b>Total Revenues</b>	\$ 14,717,697
<b>Total Expenses</b>	<u>(14,717,697)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	-
<b>Fund Balance - Beginning of Year</b>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ -</u>

For a complete copy of the audited financial statements, please contact the Director of Finance , Nick Enders, at Nick.Enders@vacationclub.com. Shadow Ridge Timeshare Association financial statements were audited by Crowe LLP.