

April 30, 2019

Dear Owner:

Please find the 2018 Audit Report Summary for Timber Lodge Timeshare Association and Timber Lodge Condominium Association. The reports are being provided to you as outlined in Timber Lodge Timeshare Association Declaration of Covenants, Conditions and Restrictions (CC&Rs), Article IV Management 4.2 and Timber Lodge Condominium Association Declaration of Covenants, Conditions and Restrictions (CC&Rs), Article VI Management, 6.2. The complete Annual Reports are available at the business office of the Association and copies will be provided upon an Owner's request at the expense of the Association.

For questions or to obtain a complete copy of the Audit, please contact Alberto Valdez, Director of Finance, by phone at 530-542-6701 or by email at [alberto.valdez@vacationclub.com](mailto:alberto.valdez@vacationclub.com).

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.

For any additional questions, please contact me by phone at 530-542-6601 or by email at [tom.mccormack@vacationclub.com](mailto:tom.mccormack@vacationclub.com).

Sincerely,

*Tom McCormack*  
General Manager  
Marriott's Timber Lodge

# TIMBER LODGE CONDOMINIUM ASSOCIATION

## Summary Report on Audit of Financial Statements

For the Year Ended December 31, 2018 and Fiscal Year Ended December 31, 2017

Balance Sheet				
	Operating	Reserves	2018 Total	2017 Total
<b>Assets:</b>				
Cash and Investments	\$ 1,703,120	\$ 5,772,101	\$ 7,475,221	\$ 5,472,802
Other Assets	446,470	(80,426)	366,044	1,764,043
<b>Total Assets</b>	\$ 2,149,590	\$ 5,691,675	\$ 7,841,265	\$ 7,236,845
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 31,168	\$ 16,986	\$ 48,154	\$ 83,868
Other Liabilities	2,104,529	548,659	2,653,188	2,402,544
Fund Balances	13,893	5,126,030	5,139,923	4,750,433
<b>Total Liabilities and Fund Balances</b>	\$ 2,149,590	\$ 5,691,675	\$ 7,841,265	\$ 7,236,845

Operating Fund - Income Statement			
		2018 Total	2017 Total
Total Revenues		\$ 3,162,571	\$ 2,992,934
Total Expenses		(3,280,695)	(2,972,355)
<b>Excess (Deficit) of Revenues over Expenses</b>		(118,124)	20,579
Fund Balance - Beginning of Year		132,017	111,438
<b>Fund Balance - End of Year</b>		\$ 13,893	\$ 132,017

Reserve Fund - Income Statement			
		2018 Total	2017 Total
Total Revenues		\$ 888,494	\$ 802,766
Total Expenses		(380,880)	(116,850)
<b>Excess (Deficit) of Revenues over Expenses</b>		507,614	685,916
Fund Balance - Beginning of Year		4,618,416	3,932,500
<b>Fund Balance - End of Year</b>		\$ 5,126,030	\$ 4,618,416

For a complete copy of the audited financial statements, please contact the Director of Finance, Alberto Valdez, at [Alberto.Valdez@vacationclub.com](mailto:Alberto.Valdez@vacationclub.com).  
 Timber Lodge Condominium Association's financial statements were audited by RSM US, LLP.

# TIMBER LODGE TIMESHARE ASSOCIATION

## Summary Report on Audit of Financial Statements

For the Year Ended December 31, 2018 and Fiscal Year Ended December 31, 2017

### Balance Sheet

	Operating	Reserves	2018 Total	2017 Total
<b>Assets:</b>				
Cash and Investments	\$ 6,297,497	\$ 15,020,488	\$ 21,317,985	\$ 17,248,591
Other Assets	595,400	274,029	869,429	6,088,540
<b>Total Assets</b>	<b>\$ 6,892,897</b>	<b>\$ 15,294,517</b>	<b>\$ 22,187,414</b>	<b>\$ 23,337,131</b>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 452,986	\$ 33,648	\$ 486,634	\$ 372,809
Other Liabilities	6,202,175	2,781,030	8,983,205	8,548,566
Fund Balances	237,736	12,479,839	12,717,575	14,415,756
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,892,897</b>	<b>\$ 15,294,517</b>	<b>\$ 22,187,414</b>	<b>\$ 23,337,131</b>

### Operating Fund - Income Statement

	2018 Total	2017 Total
Total Revenues	\$ 9,584,234	\$ 8,860,721
Total Expenses	(9,623,969)	(9,333,481)
Excess (Deficit) of Revenues over Expenses	(39,735)	(472,760)
Fund Balance - Beginning of Year	277,471	1,050,231
Board approved transfer to the Reserve Fund	-	(300,000)
Fund Balance - End of Year	<b>\$ 237,736</b>	<b>\$ 277,471</b>

### Reserve Fund - Income Statement

	2018 Total	2017 Total
Total Revenues	\$ 4,418,704	\$ 4,347,534
Total Expenses	(6,077,150)	(8,484,270)
Excess (Deficit) of Revenues over Expenses	(1,658,446)	(4,136,736)
Fund Balance - Beginning of Year	14,138,285	17,975,021
Board approved transfer from the Operating Fund	-	300,000
Fund Balance - End of Year	<b>\$ 12,479,839</b>	<b>\$ 14,138,285</b>

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