

April 30, 2019

Dear Owner:

Attached, please find the 2018 Audit Report for the Grand Chateau Owners' Association, Inc. The Audit is being distributed as outlined in the Bylaws, Article 8, Section 8.4 Budget and Report Summary. **The complete report is available at the business office of the Association and copies will be provided upon an Owner's request at the expense of the Association.**

If you would like to request a copy of the full Audit please contact Brian Cinadr, Director of Finance, by email at Brian.Cinadr@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. Click on "Account", click on "Profile", click on "Register for Online Document Notification". Edit Settings.

Sincerely,

Rance Ryan
General Manager
Marriott's Grand Chateau

Grand Chateau Owners' Association, Inc.
Summary Report on Audit of Financial Statements

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

Balance Sheet

	<u>Operating</u>	<u>Reserves</u>	<u>2018 Total</u>	<u>2017 Total</u>
Assets:				
Cash and cash equivalents	\$ 13,808,101	\$ 10,360,154	\$ 24,168,255	\$ 29,282,803
Other Assets	11,458,047	32,614,102	44,072,149	36,673,909
Total Assets	<u>\$ 25,266,148</u>	<u>\$ 42,974,256</u>	<u>\$ 68,240,404</u>	<u>\$ 65,956,712</u>
Liabilities and Fund Balances:				
Accrued Expenses	\$ 940,364	\$ 7,801	\$ 948,165	\$ 900,889
Other Liabilities	22,039,252	7,584,723	29,623,975	26,211,938
Fund Balances	2,286,532	35,381,732	37,668,264	38,843,885
Total Liabilities and Fund Balances	<u>\$ 25,266,148</u>	<u>\$ 42,974,256</u>	<u>\$ 68,240,404</u>	<u>\$ 65,956,712</u>

Operating Fund - Income Statement

	<u>2018 Total</u>	<u>2017 Total</u>
Total Revenues	\$ 31,308,295	\$ 30,559,972
Total Expenses	(30,676,650)	(29,726,998)
Excess (Deficit) of Revenues over Expenses	631,645	832,974
Fund Balance - Beginning of Year	2,404,887	2,921,913
Transfer to the Reserve for Replacement Fund, as approved by the Board of Directors	(750,000)	(1,350,000)
Fund Balance - End of Year	<u>\$ 2,286,532</u>	<u>\$ 2,404,887</u>

Reserve Fund - Income Statement

	<u>2018 Total</u>	<u>2017 Total</u>
Total Revenues	\$ 11,040,149	\$ 10,548,748
Total Expenses	(12,847,415)	(4,021,250)
Excess (Deficit) of Revenues over Expenses	(1,807,266)	6,527,498
Fund Balance - Beginning of Year	36,438,998	28,561,500
Transfer from the Operating Fund as approved by the Board of Directors	750,000	1,350,000
Fund Balance - End of Year	<u>\$ 35,381,732</u>	<u>\$ 36,438,998</u>

For a complete copy of the audited financial statements, please contact the Director of Finance, Brian Cinadr, at Brian.Cinadr@vacationclub.com.
Grand Chateau Owners' Association Inc. financial statements were audited by PricewaterhouseCoopers LLP.

Grand Chateau Owners' Association, Inc.
Board of Directors

Name	Office Held	Term
David Miles	President	2016-2019
Noralyn Canfield	Vice President	2017-2020
Lee Hall	Treasurer/Secretary	2017-2020
Donald Baarman	Director	2018-2021
Jeffrey Mora	Director	2018-2021

E-mail: mvclvgcbd@vacationclub.com

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