

April 30, 2018

Dear Marriott's Timber Lodge Owner,

Please find the 2017 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 Vakhid Shimanski, Director of Finance, by phone at 530-542-8415 or by email at [Vakhid.shimanski@vacationclub.com](mailto:Vakhid.shimanski@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 [patricia.schille@vacationclub.com](mailto:patricia.schille@vacationclub.com).

Sincerely,

*Patricia Schille*  
General Manager  
Marriott's Timber Lodge

# TIMBER LODGE CONDOMINIUM ASSOCIATION

## Summary Report on Audit of Financial Statements

Fiscal Years Ended December 31, 2017 and December 30, 2016

Balance Sheet				
	Operating	Reserves	2017 Total	2016 Total
<b>Assets:</b>				
Cash and Investments	\$ 217,413	\$ 4,855,389	\$ 5,072,802	\$ 5,886,905
Other Assets	1,876,417	287,626	2,164,043	287,128
<b>Total Assets</b>	<b>\$ 2,093,830</b>	<b>\$ 5,143,015</b>	<b>\$ 7,236,845</b>	<b>\$ 6,174,033</b>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 61,736	\$ 22,132	\$ 83,868	\$ 53,480
Other Liabilities	1,900,077	502,467	2,402,544	2,076,615
Fund Balances	132,017	4,618,416	4,750,433	4,043,938
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,093,830</b>	<b>\$ 5,143,015</b>	<b>\$ 7,236,845</b>	<b>\$ 6,174,033</b>

Operating Fund - Income Statement			
		2017 Total	2016 Total
Total Revenues		\$ 2,992,934	\$ 2,890,240
Total Expenses		(2,972,355)	(2,840,620)
<b>Excess (Deficit) of Revenues over Expenses</b>		<b>20,579</b>	<b>49,620</b>
Fund Balance - Beginning of Year		111,438	61,818
<b>Fund Balance - End of Year</b>		<b>\$ 132,017</b>	<b>\$ 111,438</b>

Reserve Fund - Income Statement			
		2017 Total	2016 Total
Total Revenues		\$ 802,766	\$ 747,971
Total Expenses		(116,850)	(64,209)
<b>Excess (Deficit) of Revenues over Expenses</b>		<b>685,916</b>	<b>683,762</b>
Fund Balance - Beginning of Year		3,932,500	3,248,738
<b>Fund Balance - End of Year</b>		<b>\$ 4,618,416</b>	<b>\$ 3,932,500</b>

For a complete copy of the audited financial statements, please contact the Director of Finance, Vakhid Shimanski, at [Vakhid.Shimanski@vacationclub.com](mailto:Vakhid.Shimanski@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**  
**Fiscal Years Ended December 31, 2017 and December 30, 2016**

**Balance Sheet**

	<u>Operating</u>	<u>Reserves</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>Assets:</b>				
Cash and Investments	\$ 2,212,418	\$ 15,036,173	\$ 17,248,591	\$ 26,025,169
Other Assets	4,339,436	1,749,104	6,088,540	824,255
<b>Total Assets</b>	<u>\$ 6,551,854</u>	<u>\$ 16,785,277</u>	<u>\$ 23,337,131</u>	<u>\$ 26,849,424</u>
<b>Liabilities and Fund Balances:</b>				
Accrued Expenses	\$ 355,136	\$ 17,673	\$ 372,809	\$ 352,305
Other Liabilities	5,919,247	2,629,319	\$ 8,548,566	\$ 7,471,867
Fund Balances	277,471	14,138,285	14,415,756	19,025,252
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,551,854</u>	<u>\$ 16,785,277</u>	<u>\$ 23,337,131</u>	<u>\$ 26,849,424</u>

**Operating Fund - Income Statement**

	<u>2017 Total</u>	<u>2016 Total</u>
<b>Total Revenues</b>	\$ 8,860,721	\$ 8,764,512
<b>Total Expenses</b>	<u>(9,333,481)</u>	<u>(8,498,843)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	(472,760)	265,669
<b>Fund Balance - Beginning of Year</b>	1,050,231	784,562
<b>Board approved transfer to the Reserve Fund</b>	<u>(300,000)</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 277,471</u>	<u>\$ 1,050,231</u>

**Reserve Fund - Income Statement**

	<u>2017 Total</u>	<u>2016 Total</u>
<b>Total Revenues</b>	\$ 4,347,534	\$ 4,172,039
<b>Total Expenses</b>	<u>(8,484,270)</u>	<u>(526,235)</u>
<b>Excess (Deficit) of Revenues over Expenses</b>	(4,136,736)	3,645,804
<b>Fund Balance - Beginning of Year</b>	17,975,021	14,329,217
<b>Board approved transfer from the Operating Fund</b>	<u>300,000</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 14,138,285</u>	<u>\$ 17,975,021</u>

For a complete copy of the audited financial statements, please contact the Director of Finance, Vakhid Shimanski, at Vakhid.Shimanski@vacationclub.com  
Timber Lodge Timeshare Association's financial statements were audited by RSM US, LLP.

This page intentionally left blank