

April 30, 2018

Dear Marriott's Grand Chateau Owner,

Attached, please find the 2017 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 e-mail 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,

Tom McCormack
General Manager
Marriott's Grand Chateau

Grand Chateau Owners' Association, Inc.
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>
Assets:				
Cash and cash equivalents	\$ 9,001,434	\$ 20,281,369	\$ 29,282,803	\$ 27,122,427
Other Assets	13,853,783	22,820,126	36,673,909	29,516,956
Total Assets	<u>\$ 22,855,217</u>	<u>\$ 43,101,495</u>	<u>\$ 65,956,712</u>	<u>\$ 56,639,383</u>
Liabilities and Fund Balances:				
Accrued Expenses	\$ 879,165	\$ 21,724	\$ 900,889	\$ 614,780
Other Liabilities	19,571,165	6,640,773	26,211,938	24,541,190
Fund Balances	2,404,887	36,438,998	38,843,885	31,483,413
Total Liabilities and Fund Balances	<u>\$ 22,855,217</u>	<u>\$ 43,101,495</u>	<u>\$ 65,956,712</u>	<u>\$ 56,639,383</u>

Operating Fund - Income Statement

	<u>2017 Total</u>	<u>2016 Total</u>
Total Revenues	\$ 30,559,972	\$ 29,725,286
Total Expenses	(29,726,998)	(28,414,831)
Excess (Deficit) of Revenues over Expenses	832,974	1,310,455
Fund Balance - Beginning of Year	2,921,913	1,611,458
Transfer to the Reserve for Replacement Fund, as approved by the Board of Directors	(1,350,000)	-
Fund Balance - End of Year	<u>\$ 2,404,887</u>	<u>\$ 2,921,913</u>

Reserve Fund - Income Statement

	<u>2017 Total</u>	<u>2016 Total</u>
Total Revenues	\$ 10,548,748	\$ 10,405,291
Total Expenses	(4,021,250)	(11,738,301)
Excess (Deficit) of Revenues over Expenses	6,527,498	(1,333,010)
Fund Balance - Beginning of Year	28,561,500	29,894,510
Transfer from the Operating Fund as approved by the Board of Directors	1,350,000	-
Fund Balance - End of Year	<u>\$ 36,438,998</u>	<u>\$ 28,561,500</u>

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

Grand Chateau Owners' Association, Inc.
Board of Directors

Name	Office Held	Term
Bill Whelihan	President	2015-2018
Susan Freudigman	Vice President	2015-2018
David C. Miles	Treasurer/Secretary	2016-2019
Noralyn Canfield	Director	2017-2020
Lee Hall	Director	2017-2020

E-mail: mvclvgcbd@vacationclub.com

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