Talis Park Golf Club, Inc.

Financial Report
December 31, 2025

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RSM US LLP

Independent Auditor's Report

Board of Governors
Talis Park Golf Club, Inc.

Opinion

We have audited the financial statements of Talis Park Golf Club, Inc. (f/k/a Tuscany Reserve Golf Club, Inc.) (the Club), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Talis Park Golf Club, Inc. as of December 31, 2025 and 2024, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Club and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Club's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Club's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

RSM US LLP

Naples, Florida
April 13, 2026

Talis Park Golf Club, Inc.

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash	**$ 8,303,582**	$ 8,099,024
Designated cash (Notes 1 and 5)	**1,797,393**	1,339,101
Accounts receivable	**751,968**	841,604
Inventories	**560,565**	484,681
Prepaid expenses and other assets	**543,172**	549,646
Total current assets	**11,956,680**	11,314,056
Right-of-use assets for finance leases, net (Note 3)	**2,606,131**	3,102,321
Right-of-use assets for operating leases, net (Note 3)	**271,549**	365,528
Property and equipment, net (Note 2)	**30,090,119**	31,806,188
Total assets	**$ 44,924,479**	$ 46,588,093
Liabilities and Net Assets		
Current liabilities:		
Current maturities of obligations under finance leases (Note 3)	**$ 688,336**	$ 732,508
Current maturities of obligations under operating leases (Note 3)	**182,552**	93,979
Current maturities of long-term debt (Note 10)	**1,148,775**	1,090,761
Accounts payable	**17,056**	320,486
Accrued expenses	**846,984**	584,560
Due to Developer (Note 4)	**12,894,153**	11,674,356
Dues collected in advance	**9,668,408**	9,213,190
Total current liabilities	**25,446,264**	23,709,840
Finance lease, less current maturities (Note 3)	**1,942,710**	2,459,585
Operating lease, less current maturities (Note 3)	**88,997**	271,549
Long-term debt, less current maturities and unamortized loan costs (Note 10)	**5,740,884**	6,883,591
Total liabilities	**33,218,855**	33,324,565
Contingency (Note 7)		
Net assets without donor restrictions (Note 5)	**11,705,624**	13,263,528
Total liabilities and net assets	**$ 44,924,479**	$ 46,588,093

See notes to financial statements.

Talis Park Golf Club, Inc.

Statements of Activities
Years Ended December 31, 2025 and 2024

	2025	2024
Operating revenues:		
General:		
Membership dues	**$ 9,413,135**	$ 7,950,090
Interest income	**3,705**	3,351
Other	**41,850**	25,881
Program:		
Food and beverage	**2,827,220**	2,681,914
Sports and recreation:		
Pro shop sales	**628,408**	560,590
Greens fees, guest fees and other	**1,735,387**	1,508,053
Spa, fitness and tennis	**332,328**	334,570
Total operating revenues	**14,982,033**	13,064,449
Operating expenses (Notes 4 and 9):		
Program:		
Food and beverage	**4,295,785**	4,100,149
Sports and recreation:		
Golf activities	**1,752,477**	1,596,110
Golf course maintenance	**3,324,593**	3,271,817
Golf studio	**78,514**	72,020
Sports complex	**181,556**	199,937
Spa, fitness and tennis	**888,301**	797,664
Support:		
Property maintenance	**1,345,390**	1,332,027
Membership (Note 5)	**377,399**	320,559
Administrative and general	**925,875**	810,333
Property taxes	**175,176**	172,098
Insurance	**662,471**	605,442
Interest expense	**505,861**	455,415
Total operating expenses	**14,513,398**	13,733,571
Excess (deficiency) of revenues over expenses before Developer funding, other expenses and other change in net assets without donor restrictions	**468,635**	(669,122)
Developer funding (Note 4)	**-**	669,122
Change in net assets before other expenses and other change in net assets without donor restrictions	**468,635**	-
Other expenses:		
Depreciation and amortization of finance leases (Notes 2 and 3)	**(2,724,519)**	(2,277,890)
Loss on disposition of property and equipment	**-**	(29,490)
Amortization of loan closing costs	**(3,520)**	(3,520)
	(2,728,039)	(2,310,900)
Change in net assets before other change in net assets without donor restrictions	**(2,259,404)**	(2,310,900)
Other change in net assets without donor restrictions:		
Resale initiation contributions collected from membership resales (Note 1)	**701,500**	472,125
Change in net assets without donor restrictions	**(1,557,904)**	(1,838,775)
Net assets without donor restrictions:		
Beginning	**13,263,528**	15,102,303
Ending	**$ 11,705,624**	$ 13,263,528

See notes to financial statements.

Talis Park Golf Club, Inc.

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets without donor restrictions	**$ (1,557,904)**	$ (1,838,775)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Initiation contributions collected from membership resales	**(701,500)**	(472,125)
Depreciation and amortization	**2,724,519**	2,277,890
Amortization of loan costs	**3,520**	3,520
Loss on disposition of property and equipment	**-**	29,490
Changes in right-of-use assets operating leases	**93,979**	105,068
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**89,636**	103,272
Inventories	**(75,884)**	4,457
Prepaid expenses and deposits	**6,474**	(73,365)
Increase (decrease) in:		
Change in operating lease liabilities	**(93,979)**	(105,068)
Accounts payable	**(394,557)**	(99,795)
Accrued expenses	**262,424**	206,917
Due to Developer	**1,219,797**	1,580,868
Dues collected in advance	**455,218**	1,506,689
Net cash provided by operating activities	**2,031,743**	3,229,043
Cash flows from investing activities:		
Disbursements for property and equipment	**(218,275)**	(1,442,197)
Net cash used in investing activities	**(218,275)**	(1,442,197)
Cash flows from financing activities:		
Principal payments on long-term debt	**(1,088,213)**	(694,340)
Initiation contributions collected from membership resales	**701,500**	472,125
Financing cash outflows—payments on finance leases	**(763,905)**	(230,919)
Net cash used in financing activities	**(1,150,618)**	(453,134)
Net increase in cash and designated cash	**662,850**	1,333,712
Cash and designated cash:		
Beginning	**9,438,125**	8,104,413
Ending	**$ 10,100,975**	$ 9,438,125
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 401,993**	$ 433,392
Right-of-use assets obtained by incurring operating lease liabilities	**$ -**	$ 34,594
Right-of-use assets obtained by incurring financing lease liabilities	**$ 202,858**	$ 3,323,599
Supplemental schedules of noncash investing and financing activities:		
Property and equipment additions acquired through accounts payable	**$ -**	$ 91,127
Cash	**$ 8,303,582**	$ 8,099,024
Designated cash	**1,797,393**	1,339,101
Total cash and designated cash shown in the statement of cash flows	**$ 10,100,975**	$ 9,438,125

See notes to financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Talis Park Golf Club, Inc. (the Club) was organized as a nonprofit corporation under the laws of the state of Florida. The primary purpose of the Club is to operate, for the benefit of its members, the golf and related golf facilities located in the Talis Park residential community (the Community).

The Club is currently under the control of KE Talis Park Properties, LLC (the Developer), a Delaware limited liability company. The Turnover Date will occur on the earlier of the following events: (i) at the end of the Membership Year that is three years following the initial issuance of the last Equity Membership in the Club held by Developer (see Note 5), or (ii) any earlier date determined by the Developer, at its discretion, provided that: (a) the Club has operated without an operating deficit for the one-year period immediately preceding such earlier date, or (b) the Developer has sold the last homesite in the community owned by the Developer.

On April 16, 2012, the Developer restated the Equity Membership Plan and all related governing documents (the Plan) to effectively address changes to the Equity Membership privileges and to modify how the Club shall operate, both during Developer control and post-turnover. Grandfathering provisions have been provided to allow those Equity Members that joined under the previous membership program to have an opportunity to retain some of their previous privileges. Key points that were changed under the new Plan includes: (i) all Equity Memberships sold from the effective date forward are non-refundable, (ii) the name of social memberships has been changed to Sport Memberships, (iii) for those Equity Memberships sold after June 1, 2012, the Club has been provided the ability to lien a member's home or homesite in the community for lack of payment, and (iv) a Deferred Capital Expenditure Reserve Account will be established for 25% of the proceeds from resold Equity Memberships.

The Developer has transferred to the Club the legal title and its ownership interest of the lands on which the golf club facilities are located. In consideration for the transfer of the Developer's interest in the golf club facilities, the Club will pay to the Developer all of the proceeds from the initial sale of all of the Equity Memberships to be issued in the Club, all of the transfer fees (initiation fees on membership resales, except amounts placed in reserves) received by the Club in connection with the transfer of ownership of Equity Memberships through the Turnover Date, plus the net book value of all supplies and inventories on hand and used in the operation of the Club as of the Turnover Date, the value of accounts receivable then owing to the Club and the value of any prepaid leases, expenses or service contracts benefiting the Club after the Turnover Date.

The Club is governed by a Board of Governors (the Board) in accordance with the Amended and Restated Club Acquisition Agreement and the bylaws. Until the Turnover Date, the Developer appoints all members of the Board.

The Developer is responsible for all operating deficits, as defined in the Amended and Restated Club Acquisition Agreement, in exchange for certain rights to use the Club Facilities prior to the Turnover Date.

A summary of the Club's significant accounting policies follows:

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of presentation: As a nonprofit organization, the Club is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor-imposed restrictions. The Club has no net assets with donor restrictions. The Club has designated net assets without donor restrictions, consisting of designated cash on the statements of financial position.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Accounting estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Ownership transactions: Initiation contributions are accounted for as owner transactions because of the various rights and obligations of the members making such payments. Prior to the turnover date, the Developer receives initiation contributions paid for membership sales upon a member joining the Club, as outlined in the Club documents. Resale initiation contributions for membership resales are paid directly to the Club. The Club is entitled to retain 25%, which is placed into reserves. The Developer is entitled to retain the remaining balance and may use its portion of the fees to satisfy deficit funding requirements due from the Developer (see Note 4). All owner transactions are recognized when received.

For the years ended December 31, 2025 and 2024, the Club received $2,806,000 and $1,888,500 of resale initiation contributions collected from membership resales which were allocated as follows:

	2025	2024
Resale initiation contributions on membership resales	$ 2,806,000	$ 1,888,500
Club's 25% portion of fees placed in reserves (Note 5)	701,500	472,125
Developer’s portion of fees	$ 2,104,500	$ 1,416,375

Revenue recognition: All revenue is recorded based on fixed transaction prices and any right to return goods does not significantly impact Club revenue. The Club records accounts receivable when it has the unconditional right to issue an invoice and receive payment regardless of whether revenue has been recognized. When consideration is received and revenue has not yet been recognized, a contract liability (dues collected in advance) is also recorded. The Club does not recognize revenue in advance of the right to invoice and, therefore, has not recorded a contract asset.

As of January 1, 2024, the opening balances of accounts receivable and dues collected in advance was $944,876 and $7,706,501, respectively.

The Club recognizes membership dues as revenue ratably over the period in which those billings relate, which is when the Club’s performance obligation is satisfied. All other revenue is recorded upon delivery of the related goods and services to the member, which is when the Club’s performance obligation is satisfied.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Total revenue recognized at a point in time and over time was as follows for the years ended December 31:

	2025	2024
Membership dues	$ 9,413,135	$ 7,950,090
Recognized over time	9,413,135	7,950,090
Food and beverage	2,827,220	2,681,914
Sports and recreation:	2,696,123	2,403,213
Other	41,850	25,881
Recognized at a point in time	5,565,193	5,111,008
Total revenues	$ 14,978,328	$ 13,061,098

The Club collects and remits sales and use taxes charged to customers at the time of dues billing and at the point of sale for retail transactions and reports such amounts under the net method on the statements of financial position. Accordingly, these taxes are not included in gross revenue.

Payment terms for dues, goods and services to members are billed to member accounts and are typically due in 30 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Club has determined that a significant financing component does not exist.

Operating income (loss)/performance measurement: The Club considers the excess (deficiency) of revenues over expenses before Developer funding, other expenses and other changes in net assets without donor restrictions on the accompanying statements of activities to be an operating income (loss) for performance measurement purposes as this is the line item budgeted for financial management and internal reporting purposes.

Cash and designated cash: The Club maintains substantially all of its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Club has not experienced any losses on such accounts.

Designated cash includes amounts in escrow related to the resale of equity memberships by the Club. The Club deposits 25% of the membership contributions paid by the purchaser of such resold equity membership into the deferred capital expenditure reserve account. As of December 31, 2025 and 2024, these escrow deposits totaled $1,797,393 and $1,339,101, respectively (see Note 5).

Accounts receivable: Accounts receivable consist principally of amounts due from members for dues and use of the golf course and clubhouse facilities. Accounts receivable are recognized and carried at the amount invoiced, less an allowance made for credit losses. The Club maintains allowances for credit losses for estimated losses resulting from non-payment. Management makes estimates of the collectability of accounts receivable and critically reviews accounts receivable and analyzes historical bad debts, past-due accounts, credit worthiness and current economic trends when evaluating the adequacy of the allowance for credit losses. If the financial condition of the Club's members were to deteriorate, resulting in their inability to make payments, additional allowances may be required. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The Club recorded no allowance for credit losses as of December 31, 2025 and 2024.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Recently issued accounting pronouncements: In July 2025, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduces a practical expedient and, for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, Financial Instruments-Credit Losses, to current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606, Revenue from Contracts with Customers. The ASU will be effective for the Club's fiscal year ending December 31, 2026, with early adoption permitted. The adoption of ASU 2025-05 is not expected to have a significant impact on the Club's financial statements.

Deferred loan costs: Deferred loan costs are amortized over the term of the related loan and are recorded as a reduction of long-term debt on the statements of financial position as of December 31, 2025 and 2024 (see Note 10).

Inventories: Inventories, consisting of food and beverage and pro shop merchandise, are stated at the lower of cost (weighted-average method) or net realizable value.

Property and equipment: Property and equipment is stated at cost. The Club's policy is to capitalize purchases over $1,000, with a useful life in excess of one year. Depreciation is computed on a straight-line basis over the following estimated useful lives of the various classes of depreciable assets:

	Years
Land improvements	15
Building and building improvements	5-39
Furniture, fixtures and equipment	5-15

Valuation of long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment identified during the years ended December 31, 2025 or 2024.

Income taxes: The Club is incorporated as a nonprofit corporation under the laws of the state of Florida, as contained in Chapter 617 of the Florida Statutes. However, the Club is not exempt from income taxes. For income tax purposes, the Club is required to segregate the results of its member activities from its nonmember activities and is separately taxed on each element. Nonmember activity losses may be used to offset member activity profits in current or future periods.

Member activity losses are referred to as deferred expense carryforwards and cannot be used to offset nonmember activity. Due to the nature of the Club's operations, the Club believes it is remote that it would utilize either type of loss carryforward. As a result, it is the Club's policy not to disclose the deferred tax asset and related valuation allowances associated with these carryforwards, which net to zero.

The Club has evaluated its tax positions and concluded that the Club has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Leases: The Club determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the Club obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Club also considers whether its service arrangements include the right to control the use of an asset.

The Club recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Club made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received.

To determine the present value of lease payments, the Club made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The Club has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its equipment asset classes. The non-lease components typically represent additional services transferred to the Club, such as maintenance on equipment, which is variable in nature.

Subsequent events: Management has assessed subsequent events through April 13, 2026, the date the financial statements were available to be issued.

Note 2. Property and Equipment

The major classifications of property and equipment as of December 31, 2025 and 2024, is summarized as follows:

	2025	2024
Land and land improvements	$ 18,035,648	$ 17,978,855
Building and building improvements	22,775,804	22,793,830
Furniture, fixtures and equipment	4,523,279	4,516,923
	45,334,731	45,289,608
Less accumulated depreciation	15,244,612	13,483,420
	$ 30,090,119	$ 31,806,188

During the year ended December 31, 2025, the Club wrote off and disposed of property and equipment with a cost and related accumulated depreciation of $264,279.

Note 2. Property and Equipment (Continued)

During the year ended December 31, 2024, the Club wrote off and disposed of property and equipment with a cost and related accumulated depreciation of $1,644,294 and $1,614,804, respectively. The Club recognized a loss on disposal of property and equipment of $29,490 for the year ended December 31, 2024.

Depreciation expense for the years ended December 31, 2025 and 2024, was $2,025,471 and $1,970,516, respectively.

Note 3. Leases

The Club leases golf carts and other equipment under operating lease agreements that have terms ranging from 48 to 60 months and interest rates ranging from 1.04% to 4.72%. The Club also leases golf course maintenance equipment under finance lease agreements with initial terms of 60 months and interest rates ranging from 3.49% to 3.93%. The Club's leases do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Operating lease expense is recorded in the related departmental expense on the statements of activities. Finance lease cost is recognized as a combination of the amortization expense for the right-of-use assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

The components of lease expense are as follows for the years ended December 31:

	2025	2024
Operating lease cost	$ 93,979	$ 117,509
Finance lease cost—amortization of right-of-use assets	699,048	352,228
Finance lease cost—interest on lease liabilities	21,102	16,470
Short-term lease cost	116,272	59,986
	$ 930,401	$ 546,193

Supplemental statement of financial position information related to leases is as follows as of December 31:

	2025	2024
Finance leases:		
Equipment	$ 3,526,457	$ 3,323,599
Less accumulated amortization	920,326	221,278
Finance lease, right-of-use assets, net	$ 2,606,131	$ 3,102,321
Weighted-average remaining lease term:		
Operating leases	2.94 years	3.86 years
Finance leases	3.70 years	4.70 years
Weighted-average discount rate:		
Operating leases	4.68%	4.59%
Finance leases	3.63%	3.55%

Note 3 Leases (Continued)

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of December 31, 2025:

	Operating Leases	Finance Leases
Years ending December 31:		
2026	$ 99,423	$ 769,258
2027	99,423	769,258
2028	88,249	769,258
2029	2,496	488,536
2030	416	6,884
	290,007	2,803,194
Less imputed interest	18,458	172,148
Present value of future minimum lease payments	271,549	2,631,046
Less current portion	182,552	688,336
Long-term portion	$ 88,997	$ 1,942,710

Note 4. Related Party Transactions

Kitson & Partners Management Services, Inc. (KPMS): The Developer, as manager of the Club pursuant to the Talis Park Club Management Agreement, manages the Club and provides employees, through its affiliate, KPMS, to handle the day-to-day operation of the Club. All salaries, benefits, taxes, and other costs of such employees are reimbursed by the Club to KPMS. KPMS sponsors a 401(k) employee savings and retirement plan for the benefit of these employees. All employees over 21 years of age and having six months of employment are eligible to participate in the Plan. Each eligible employee is permitted to make a contribution to the Plan for amounts up to 90% of eligible employee's wages subject to maximum dollar limitations established by the Internal Revenue Service. A matching contribution equal to 50% of the first 6% of the employee's contribution applies. For the years ended December 31, 2025 and 2024, the Club's reimbursement to KPMS for these employees (including gross payroll, all federal and state payroll taxes, workers' compensation, 401(k), and employee health and life insurance) was approximately $6,864,000 and $6,278,000, respectively, was included as a component of departmental expenses on the accompanying statements of activities as of December 31, 2025 and 2024, respectively.

KE Talis Park Holdings (Holdings), KE Talis Park Properties, LLC (the Developer), KE Talis Park Real Estate (Real Estate) (collectively, Talis Park Holdings): The Club pays certain expenses to the Developer, including office and administrative expenses and other miscellaneous charges. There were no payments made during the years ended December 31, 2025 and 2024, respectively. Holdings advances cash to fund operations of the Club, and Realty utilizes the Club for promotional activities throughout the year.

As described in Note 1 and in accordance with the Amended and Restated Club Acquisition Agreement, the Developer is responsible to pay a subsidy for operating deficiencies, as defined, prior to the Turnover Date. For the years ended December 31, 2025 and 2024, the Developer funded $0 and $669,122, respectively.

As of December 31, 2025 and 2024, the Club owed Talis Park Holdings $12,894,153 and $11,674,356, respectively, which is included in due to Developer on the accompanying statements of financial position.

Note 5. Net Assets Without Donor Restrictions

Membership classes: The Club's Membership Plan provides for two classes of Equity Memberships consisting of Golf Memberships and Sport Memberships. Equity memberships will be offered to persons who own or acquire a residence or homesite in the Community or in other consideration designated by the Club. Golf Memberships and Sport Memberships are limited to 325 and 800, respectively. There were 315 and 313 resident Golf Memberships and 212 and 211 resident Sport Memberships issued and active as of December 31, 2025 and 2024, respectively.

Redemption of Equity Memberships: The Membership Plan does not provide for, nor is the Club required to, refund a member's equity contribution. Upon the reissuance of a membership to a new member, an equity contribution is required of the new member of which 100% is retained by the Club. For those members who joined the Club prior to April 16, 2012, the redemption of a resigned member's Equity Membership certificate is deferred until a replacement Equity Member is obtained, has paid all required fees and purchases the certificate from which the funds are remitted to the resigned Equity Member. The Club is not obligated to redeem a resigned member's equity certificate until these conditional events occur, are resolved or become certain to occur. Upon reissuance of an Equity Membership, the current amount of the membership contribution to be refunded to the resigning Equity Member is 100% of the amount of the membership contribution then charged for the resigning member's category of membership, not to exceed the membership contribution paid by the incoming member. Prior to the issuance of all Equity Memberships in the resigned member's category, every fourth membership issued in this category will result in a refund for a resigned member.

As of December 31, 2025 and 2024, there were no Golf Members or Sport Members on the resignation list awaiting redemption.

Reserve for capital repairs and replacements: The Club's Membership Plan stipulates that a reserve for capital repairs and replacements is to be accrued each year beginning the year following the construction of the clubhouse. The annual accrual will equal 1.5% of the Gross Operating Revenues, as defined in the Amended and Restated Club Acquisition Agreement. Any reserve not used during a membership year may be used for capital repairs and replacements in subsequent years. Prior to the Turnover Date, the Developer shall have no obligation to fund capital expenditures, which exceed the amount of the Capital Reserve. After the Turnover Date, the Club reserves the right to levy a capital assessment against the Equity Members and/or prospectively modify future year budgeted Capital Reserve percentages. Capital expenditures exceeded the amounts contributed to the Capital Reserve as of or during the years ended December 31, 2025 and 2024.

Deferred Capital Expenditure Reserve Account: Upon the resale of an Equity Membership by the Club, the Club will deposit into the Deferred Capital Expenditure Reserve Account 25% of the membership contribution paid by the purchaser of such resold Equity Membership. Prior to the Turnover Date, the funds shall be used to pay any taxes attributable to amounts deposited into the account to fund extraordinary repairs and replacements and to fund any other capital repairs, replacement, improvements or additions to the Club Facilities to the extent such expenditures exceed the ordinary Capital Reserves. On the Turnover Date, control of the Deferred Capital Expenditure Reserve Account will be turned over to the Board of Governors elected by the Equity Members. As of December 31, 2025 and 2024, $1,797,393 and $1,339,101, respectively, has been accumulated in the Deferred Capital Expenditure Reserve Account.

Note 6. Non-Equity Memberships

Associate Memberships: To promote the economic viability of operation of the Club Facilities, the Club reserves the right to issue non-equity, non-voting, non-transferable, recallable Associate Memberships. The offering of Associate Memberships is limited to persons who do not own a home or home site in the Community. After the Turnover Date, no additional or replacement Associate Memberships shall be offered without the prior written consent of the Developer. The maximum number of Associate Memberships with golf privileges permitted to be outstanding at the beginning of a membership year is equal to the maximum number of Golf Memberships, less the number of issued Golf Memberships. As of December 31, 2025 and 2024, the Club had 10 and 12 Associate Memberships, respectively.

Note 7. Geographic Risk

The Club mitigates the risk of hurricane damage through insurance. The Club's insurance policies were renewed through November 1, 2026. Due to the Club's coinsurance and deductibles, losses from future catastrophic weather events may require special membership assessments.

Note 8. Liquidity and Availability

Assets available to meet cash needs for general expenditures within one year, without contractual or donor restrictions as of December 31, 2025 and 2024, consist of the following:

	2025	2024
Cash	$ 8,303,582	$ 8,099,024
Accounts receivable	751,968	841,604
	$ 9,055,550	$ 8,940,628

Designated cash is not available for general use, as described in Note 1.

Note 9. Functional Expenses

The Club's primary program activities are food and beverage and sports and recreation. Expenses reported as supporting activities are incurred in support of these primary program activities. Supporting activities expenses are paid for with membership dues; therefore, allocation to program activities is not necessary.

To appropriately report the costs of the Club's services and how the Club uses resources, depreciation is not allocated to functions. Depreciation, which represents in essence the cost associated with replacing and acquiring assets, is funded by reserve for capital repairs and replacement and resale initiation contributions and not by operating revenues.

Expenses by functional and natural classification for the year ended December 31, 2025, consist of the following:

	Program Activities			
	Food and Beverage	Sports and Recreation	Supporting Activities	Total
Cost of sales	$ 1,108,970	$ 485,515	$ -	$ 1,594,485
Payroll and related	2,765,637	3,024,192	1,074,319	6,864,148
Supplies, services and other	421,178	2,715,734	2,917,853	6,054,765
	$ 4,295,785	$ 6,225,441	$ 3,992,172	$ 14,513,398

Note 9. Functional Expenses (Continued)

Expenses by functional and natural classification for the year ended December 31, 2024, consist of the following:

	Program Activities			
	Food and Beverage	Sports and Recreation	Supporting Activities	Total
Cost of sales	$ 1,047,568	$ 407,579	$ -	$ 1,455,147
Payroll and related	2,639,623	2,740,963	897,464	6,278,050
Supplies, services and other	412,958	2,789,006	2,798,410	6,000,374
	$ 4,100,149	$ 5,937,548	$ 3,695,874	$ 13,733,571

Note 10. Construction Loan Payable, Net of Deferred Loan Costs

On October 31, 2022, the Club entered into a construction loan agreement with a third-party lender to finance the golf course re-grass and irrigation project. The loan has a maximum principal amount of $8,682,772. Borrowings under the loan bear interest at the fixed interest rate of 5.28%. Interest only payments were due through April 2024. Commencing in May 2024, monthly principal and interest payments are due through the loan's maturity of May 1, 2029. The Club was required to contribute a minimum of $2,894,257 towards the project prior to taking any draws on the construction loan, which occurred during the year ended December 31, 2023. Outstanding borrowings on the construction loan totaled $6,900,219 and $7,988,432 as of December 31, 2025 and 2024, respectively.

The Club incurred $21,707 of debt issuance costs associated with obtaining the loan. For each of the years ended December 31, 2025 and 2024, amortization of deferred loan costs totaled $3,520.

The loan is collateralized by membership contributions, fees, dues, charges and assessments from Golf Members and is guaranteed by KE Talis Park Properties, LLC. The loan contains certain covenants, which relate primarily to administrative requirements.

Aggregate future minimum principal payments required under the terms of the debt obligations as of December 31, 2025, are as follows:

	Amount
2026	$ 1,148,775
2027	1,211,804
2028	1,277,630
2029	3,262,010
	6,900,219
Less current maturities	1,148,775
	5,751,444
Less unamortized loan closing costs	10,560
Long-term portion	$ 5,740,884

RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Governors
Talis Park Golf Club, Inc.

We have audited the financial statements of Talis Park Golf Club, Inc. (f/k/a Tuscany Reserve Golf Club, Inc.) as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon, dated April 13, 2026, which contains an unmodified opinion on those financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Naples, Florida
April 13, 2026

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Talis Park Golf Club, Inc.

Statements of Activities Information
Years Ended December 31, 2025 and 2024

Departmental Schedules of Activities	2025 Revenues	2025 Cost of Sales	2025 Payroll and Related Expenses	2025 Other Expenses	2025 Excess (Deficiency)	2024 Revenues	2024 Cost of Sales	2024 Payroll and Related Expenses	2024 Other Expenses	2024 Excess (Deficiency)
General revenues:										
Membership dues	**$ 9,413,135**	**$ -**	**$ -**	**$ -**	**$ 9,413,135**	$ 7,950,090	$	$	$	$ 7,950,090
Interest income	**3,705**	**-**	**-**	**-**	**3,705**	3,351	-	-	-	3,351
Other income	**41,850**	**-**	**-**	**-**	**41,850**	25,881	-	-	-	25,881
	9,458,690	**-**	**-**	**-**	**9,458,690**	7,979,322	-	-	-	7,979,322
Departmental revenues and expenses:										
Food and beverage	**2,827,220**	**1,108,970**	**2,765,637**	**421,178**	**(1,468,565)**	2,681,914	1,047,568	2,639,623	412,958	(1,418,235)
Golf activities	**2,363,795**	**479,284**	**961,747**	**311,446**	**611,318**	2,068,643	400,080	906,798	289,232	472,533
Golf course maintenance	**-**	**-**	**1,489,516**	**1,835,077**	**(3,324,593)**	-	-	1,330,505	1,941,312	(3,271,817)
Property maintenance	**-**	**-**	**204,367**	**1,141,023**	**(1,345,390)**	-	-	164,434	1,167,593	(1,332,027)
Golf studio	**-**	**-**	**-**	**78,514**	**(78,514)**	-	-	-	72,020	(72,020)
Sports complex	**-**	**-**	**-**	**181,556**	**(181,556)**	-	-	-	199,937	(199,937)
Spa, fitness and tennis	**332,328**	**6,231**	**572,929**	**309,141**	**(555,973)**	334,570	7,499	503,660	286,505	(463,094)
Membership	**-**	**-**	**123,556**	**253,843**	**(377,399)**	-	-	117,089	203,470	(320,559)
Administrative and general	**-**	**-**	**746,396**	**179,479**	**(925,875)**	-	-	615,941	194,392	(810,333)
Property taxes	**-**	**-**	**-**	**175,176**	**(175,176)**	-	-	-	172,098	(172,098)
Insurance	**-**	**-**	**-**	**662,471**	**(662,471)**	-	-	-	605,442	(605,442)
Interest expense	**-**	**-**	**-**	**505,861**	**(505,861)**	-	-	-	455,415	(455,415)
	5,523,343	**1,594,485**	**6,864,148**	**6,054,765**	**(8,990,055)**	5,085,127	1,455,147	6,278,050	6,000,374	(8,648,444)
	$ 14,982,033	**$ 1,594,485**	**$ 6,864,148**	**$ 6,054,765**		$ 13,064,449	$ 1,455,147	$ 6,278,050	$ 6,000,374	
Excess (deficiency) of revenues over expenses before developer funding, other expenses and other change in net assets without donor restrictions					**$ 468,635**					$ (669,122)