Noren, Nordling, and Associates PLLC
ACCOUNTING · TAX · CONSULTING

May 19, 2026

Visit Modesto Inc.
1008 12th Street
Modesto, California 95354

Re: Audit Findings

Dear Board Members,

This letter has been prepared to assist you with your review of the financial statements of Visit Modesto Inc. as of and for the year ended June 30, 2025. We appreciate the cooperation and assistance provided by management and staff throughout the audit process and look forward to discussing the matters outlined below with the Board.

The Auditor's Responsibilities With Regard to the Financial Statement Audit

Our Responsibilities

As your independent auditors, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but not absolute assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is consideration of the Organization's internal control over financial reporting.
- Performing audit procedures responsive to identified risks.
- Evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion on whether the financial statements prepared by management with the oversight of those charged with governance:
    - Are free from material misstatement; and

    - Are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- Performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS), including consideration of:
    - Internal control over financial reporting
    - Compliance with applicable laws and regulations

Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate certain matters related to the audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Organization’s accounting practices, including accounting policies, estimates, and financial statement disclosures
- Significant risks and related audit responses
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditor’s report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Compliance with laws and regulations
- Other audit findings or issues

Independence

We are not aware of any relationships between Noren, Nordling, and Associates PLLC and the Organization that, in our professional judgment, may reasonably be thought to bear on our independence.

Planned Scope and Timing of the Audit

Based on our understanding of the Organization and the environment in which it operates as a Destination Marketing Organization funded primarily through TOT and TMD revenues, our audit focused on the following key areas:

- Internal control over financial reporting
- Consideration of fraud risks
- Revenue recognition related to TOT and TMD allocations
- Areas involving significant estimates and judgments
- Review, recomputation, and substantive testing of financial statement amounts and disclosures
- Review of the application and disclosure requirements for new accounting standards adopted
- Confirmation of cash and debt
- Existence, valuation, and proper classification of receivables
- Fair value measurements and related disclosures
- Existence and accuracy of payroll and operating expenses
- Existence, accuracy, and classification of net assets

Particular attention was given to the recognition and presentation of TOT and TMD revenues, which represent the Organization’s primary funding sources.

Our areas of audit focus were informed by our assessment of materiality and identified risks of material misstatement.

Significant Changes to the Audit Plan

There were no significant changes made to our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit Status

We have completed the audit of the financial statements, and there were no open items outstanding as of the date of this letter.

Key Areas of Focus and Significant Issues

Significant Risks of Material Misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration.

Based on our risk assessment procedures, the following significant risk was identified during the audit:

Management Override of Controls

Auditing standards presume a risk of management override of controls in all audits due to management's unique ability to influence accounting records and financial reporting processes.

Audit Response and Procedures Performed

Our audit procedures related to this risk included, among others:

- Testing the appropriateness of journal entries and other adjustments recorded throughout the year and during the financial statement closing process
- Reviewing accounting estimates for potential management bias
- Evaluating significant transactions occurring outside the normal course of business
- Assessing the business rationale for unusual or significant transactions
- Inquiring of management and those charged with governance regarding knowledge of fraud or suspected fraud

Based on the procedures performed, we did not identify any instances of management override of controls or other matters indicating material misstatement due to fraud.

Other Areas of Emphasis

In addition to the significant risk noted above, our audit included focused procedures over the recognition and presentation of TOT and TMD revenues due to the significance of these funding sources to the Organization's operations.

During the audit, management identified that certain TOT and TMD revenues had historically been recognized on a cash basis rather than on the accrual basis required under the Organization's accounting framework and ASC 606, Revenue from Contracts with Customers.

As part of our audit procedures, we evaluated management's analysis, tested the underlying supporting documentation, and reviewed the resulting adjustment recorded within the financial statements.

Based on the procedures performed, we concluded the adjustment was appropriately recorded and the related financial statement balances and disclosures were fairly presented.

Significant Findings or Issues Arising

Qualitative Aspects of Accounting Practices

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management regarding the appropriateness of accounting policies and their application.

The significant accounting policies used by the Organization are described in Note 2 to the financial statements and were found to be appropriate and consistently applied.

Accounting Estimates

Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience regarding past and current events and assumptions about future events.

The following significant estimates and judgments are contained in the financial statements:

- Allocation of functional expenses

Based on the audit procedures performed, we are satisfied with the estimates made by management.

There were no significant changes made by management to the processes used to develop accounting estimates or to the assumptions used in those estimates during the year.

Financial Statement Disclosures

The disclosures included in the financial statements are neutral, consistent, and clear.

Significant Unusual Transactions

There were no significant transactions outside the normal course of business or transactions considered unusual due to timing, size, or nature.

Significant Difficulties Encountered

We encountered no significant difficulties in working with management or completing the audit.

Disagreements with Management

Professional standards define a disagreement with management as a matter concerning a financial accounting, reporting, or auditing issue that could be significant to the financial statements or auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Other Audit Findings or Issues

As discussed above, management identified and recorded an adjustment related to the recognition of certain TOT and TMD revenues to align the financial statements with the Organization's accrual basis of accounting and ASC 606, Revenue from Contracts with Customers.

We evaluated the adjustment as part of our audit procedures and determined the revised balances and disclosures were appropriately reflected in the financial statements.

Because the matter was identified and corrected by management during the audit process, and based on the procedures performed, we did not identify a material weakness or significant deficiency in internal control related to this matter.

However, due to the significance of the adjustment and the importance of consistent application of revenue recognition guidance, we determined it appropriate to communicate this matter to those charged with governance.

Uncorrected Misstatements

There were no uncorrected misstatements identified during the audit.

Corrected Misstatements

Professional standards require us to communicate material corrected misstatements identified during the audit. Any material audit adjustments identified during our procedures were discussed with management and appropriately recorded in the financial statements.

Key Audit Matters

We determined there were no key audit matters requiring separate communication in the auditor's report.

Other Matters

We have not identified any other significant findings or issues that we wish to bring to your attention at this time.

Difficult or Contentious Matters

There were no difficult or contentious matters noted during the audit.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that were particularly significant, sensitive, or required significant judgments that we believe should be specifically drawn to your attention.

Going Concern

Professional standards require auditors to evaluate whether substantial doubt exists regarding the Organization's ability to continue as a going concern for a reasonable period of time.

Based on the procedures performed, no conditions or events came to our attention that raised substantial doubt about the Organization's ability to continue as a going concern.

Fraud

We did not identify any known or suspected fraud during the audit.

Related Parties

We did not identify any significant issues related to related-party transactions during the audit.

Nonattest Services

The following nonattest services were provided by the firm:

- Financial statement preparation

Management reviewed and accepted responsibility for the financial statements and related disclosures.

Written Representations

In a separate communication, we requested written representations from management confirming its responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and the completeness of information provided to us during the audit.

Other Audit Matters of Governance Interest

We did not identify any additional matters to bring to your attention at this time.

We would like to thank management and staff for the cooperation and professionalism demonstrated throughout the audit process.

We hope the information contained in this audit findings letter is useful to the Board in carrying out its governance responsibilities. We would be pleased to discuss any matters included in this communication and respond to any questions you may have.

This letter was prepared solely for the use of those charged with governance of Visit Modesto Inc. in carrying out their oversight responsibilities and should not be distributed to third parties without our prior written consent. We assume no responsibility to any other person.

Yours truly,

James Dillion
Noren, Nordling, and Associates PLLC