

**LAKE ERIE SHORES AND ISLANDS  
dba SHORES & ISLANDS OHIO  
OTTAWA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2024**



**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Lake Erie Shores and Islands  
dba Shores & Islands Ohio  
Ottawa County  
770 Southeast Catawba Road  
Port Clinton, Ohio 43452

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Lake Erie Shores and Islands dba Shores & Islands Ohio, Ottawa County, Ohio (the Bureau), (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year 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 the Bureau, as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bureau, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Other Matter**

##### *Report on Summarized Comparative Information*

We have previously audited the Bureau's 2023 financial statements, and we expressed an unmodified opinion on the respective financial statements dated November 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***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 Bureau's ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

### ***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 and *Government Auditing Standards* 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Bureau'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 Bureau'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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

November 24, 2025

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**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Statement of Financial Position**  
**December 31, 2024**  
**With Comparative Totals at December 31, 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,087,469	\$ 1,085,694
Accounts receivable:		
Trade	18,965	21,075
Prepaid expenses	132,702	89,630
<b>Total current assets</b>	<u>1,239,136</u>	<u>1,196,399</u>
<b>Noncurrent assets:</b>		
Property and equipment - net	28,613	17,666
Right-of-use asset - net	18,360	28,830
<b>Total noncurrent assets</b>	<u>46,973</u>	<u>46,496</u>
<b>Total assets</b>	<u><u>\$ 1,286,109</u></u>	<u><u>\$ 1,242,895</u></u>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 18,808	\$ 147,705
Salaries and wages payable	33,248	27,484
Payroll taxes, including employee		
withholding	198	6,508
Deferred revenue	83,105	77,405
Current portion of lease liability	9,384	10,471
<b>Total current liabilities</b>	<u>144,743</u>	<u>269,573</u>
Long term portion of lease liability	8,976	18,360
<b>Total liabilities</b>	<u>153,719</u>	<u>287,933</u>
<b>Net assets:</b>		
Without donor restrictions	1,132,390	954,962
<b>Total liabilities and net assets</b>	<u><u>\$ 1,286,109</u></u>	<u><u>\$ 1,242,895</u></u>

The notes to the financial statements are an integral part of this statement.

**LAKE ERIE SHORES AND ISLANDS  
dba SHORES & ISLANDS OHIO  
OTTAWA COUNTY**

**Statement of Activities  
For the Year Ended December 31, 2024  
With Comparative Totals for the Year Ended December 31, 2023**

	Without Donor Restrictions	Without Donor Restrictions
	<u>2024</u>	<u>2023</u>
<b>Support and revenue:</b>		
Bureau funding	\$ 4,457,939	\$ 3,850,000
Advertising revenue	451,326	421,138
Investment income	12,455	3,969
In-kind revenue	129,984	129,984
<b>Total support and revenue</b>	<u>5,051,704</u>	<u>4,405,091</u>
<b>Expenses:</b>		
Program services	4,277,261	3,765,978
Supporting services	597,015	604,969
<b>Total expenses</b>	<u>4,874,276</u>	<u>4,370,947</u>
<b>Change in net assets</b>	177,428	34,144
<b>Net assets, beginning of year</b>	<u>954,962</u>	<u>920,818</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,132,390</u></u>	<u><u>\$ 954,962</u></u>

The notes to the financial statements are an integral part of this statement.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
**With Comparative Totals for the Year Ended December 31, 2023**

	Without Donor Restrictions	Without Donor Restrictions
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 177,428	\$ 34,144
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,763	6,925
Amortization	1,530	183
Provision for credit losses		4,000
(Increase) decrease in assets:		
Trade accounts receivable	2,109	14,162
Prepaid expenses	(43,072)	81,116
Increase (decrease) in liabilities:		
Accounts payable	(128,897)	122,641
Salaries and wages payable	5,764	5,927
Payroll taxes	(6,310)	(5,373)
Deferred revenue	5,700	24,805
<b>Net cash provided by (used in) operating activities</b>	<u>21,015</u>	<u>288,530</u>
<b>Cash flows from investing activities:</b>		
Purchases of equipment and software	<u>(19,240)</u>	<u>(10,537)</u>
Net increase (decrease) in cash and cash equivalents	1,775	277,993
Cash and cash equivalents, beginning of year	<u>1,085,694</u>	<u>807,701</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,087,469</u></u>	<u><u>\$ 1,085,694</u></u>

The notes to the financial statements are integral part of this statement.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**  
**With Comparative Totals for the Year Ended December 31, 2023**

	Program Services	Supporting Services	<u>2024</u>	<u>2023</u>
Advertising and promotions	\$ 2,866,545	\$ -	\$ 2,866,545	\$ 2,481,378
Salaries and wages	849,640	283,214	1,132,854	1,069,114
In-kind expenses	-	129,984	129,984	129,984
Website expense	126,564	-	126,564	119,380
Employee benefits	89,723	29,908	119,631	116,993
Payroll taxes	114,323	-	114,323	83,605
Printing and publications	67,470	22,490	89,960	82,058
Postage and shipping	50,035	-	50,035	55,558
Professional fees	43,329	4,814	48,143	49,617
Dues and subscriptions	21,540	14,360	35,900	31,593
Equipment rent and maintenance	17,304	14,158	31,462	31,846
Insurance	-	29,040	29,040	25,994
Professional development	-	24,562	24,562	23,405
Destination development	-	19,028	19,028	20,761
Telephone	13,364	2,358	15,722	15,131
Seminars and meetings	9,063	3,021	12,084	7,255
Depreciation	3,987	3,987	7,974	6,925
Office supplies and expense	4,374	3,578	7,952	6,469
Bank charges	-	6,763	6,763	4,902
Automobile expense	-	4,220	4,220	4,796
Provision for credit losses	-	1,530	1,530	4,000
Amortization	-	-	-	183
<b>Total expenses</b>	<u><u>\$ 4,277,261</u></u>	<u><u>\$ 597,015</u></u>	<u><u>\$ 4,874,276</u></u>	<u><u>\$ 4,370,947</u></u>

The notes to the financial statements are an integral part of this statement.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**1. Nature of activities**

Lake Erie Shores and Islands dba Shores & Islands Ohio, Ottawa County, Ohio (the Bureau) is an Ohio not-for-profit corporation that commenced operations on January 1, 2019. The Bureau was formed to develop and implement a marketing plan to grow the tourism economy of Erie and Ottawa Counties of Ohio through promotion of the region and thereby increase visitor spending in the region.

The Bureau is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(6). In addition, the Bureau has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

**2. Summary of significant accounting policies**

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

Net assets without restrictions

Net assets without restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment.

Net assets with restrictions

Net assets with restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations.

Advertising revenue

Advertising revenue is recognized in the period in which the advertising is provided. Advertising revenue received in advance of the period that it is provided is recorded as deferred revenue.

Advertising costs

Advertising costs are expensed as incurred. Total advertising expenses, including the costs to encourage and promote travel to and visitation in Erie and Ottawa Counties were \$2,866,545 and are included in program service expenses.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**2. Summary of significant accounting policies - continued**

Donations

Donations are recorded as unrestricted unless specifically restricted by the donor.

Donated noncash assets

Donated noncash assets are recorded as contributions at their estimated fair values at the time of receipt.

Donated facilities and services

Donated facilities and services are reported at their fair value at date of receipt as in-kind revenue with a like amount included as in-kind expense. For the year ended December 31, 2024, the in-kind expense includes the fair value of the rent on the Erie County and Ottawa County buildings, which house the Bureau, of \$129,984. All in-kind benefits were provided by the Erie County Visitors and Convention Bureau and the Ottawa County Visitors Bureau.

Cash and cash equivalents

For purposes of the statement of cash flows, the Bureau considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The following is a summary of cash and cash equivalents at December 31, 2024:

Petty cash on hand	\$ 768
Cash on deposit at banks	<u>1,086,701</u>
Total	<u>\$1,087,469</u>

Accounts receivable and related allowance for credit losses

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Bureau uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Therefore, management determined that the credit loss percentages in each aging category should remain consistent with historical percentages.

Trade credit is generally extended on a short-term basis; thus, trade accounts receivable does not bear interest, although a finance charge may be applied to such receivables that are more than thirty (30) days past due.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**2. Summary of Significant accounting policies - continued**

Allowance for credit losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the customer, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of customers. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to the allowance for credit losses. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses and a credit to trade accounts receivable. Based on this information, the Bureau had the following activity for its allowance for credit losses for accounts receivable for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 7,500	\$ 10,000
Provision for expected credit losses	-	4,000
Write-offs	<u>-</u>	<u>(6,500)</u>
Ending balance	<u>\$ 7,500</u>	<u>\$ 7,500</u>

Financial instruments – concentration of credit risk

The Bureau places its temporary cash investments with financial institutions in amounts that may exceed the federally insured deposit limits or in accounts that are not covered by federal deposit insurance. The Bureau has not experienced any loss in such accounts.

Revenue recognition

*Deferred revenue*

The Bureau recognizes commitments for advertising space in the annual promotional booklet as deferred revenue when the advertising contract is signed. Booklet advertising income is recognized on an annual basis when the promotional booklet is released.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**2. Summary of Significant accounting policies - continued**

*Contributions and donated services*

The Bureau recognizes grants and contributions revenue in the period in which the pledge (promise to give) is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises made designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction. Contributions with donor-imposed restrictions met in the same period are reported as net assets without donor restriction. The Bureau recognizes revenue from grants in accordance with ASU *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Bureau evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Bureau applies guidance under ASU 2014-09 “*Revenue from Contracts with Customers*.” If the transfer of assets is determined to be a contribution, the Bureau evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers must be overcome before the Bureau is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of a release of a promisor’s obligation to transfer assets.

The Bureau recognizes donated services as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Bureau.

*Bureau funding*

The Bureau receives the majority of its support based on a contract with Erie County Visitors and Convention Bureau and Ottawa County Visitors Bureau. The support received from these bureaus is comprised of an exchange element based on benefits provided to the bureaus over the fiscal year. Obligations to these bureaus are satisfied and recognized ratably over time as the bureaus are simultaneously receiving and consuming the benefit of the services provided by the Bureau over the fiscal year.

*Disaggregation of revenue*

The Bureau disaggregates revenue based on the type of good or service provided to the bureaus and any other customers as well as any contributions from donors. The accompanying statement of activities shows those disaggregated revenue streams for the year ended December 31, 2023.

Leases

Effective January 1, 2022, the Bureau adopted FASB ASC 842, *Leases*. The Bureau determines if an arrangement contains a lease at inception based on whether the Bureau has the right to control the asset during the contract period and other facts and circumstances. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a ROU asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

Subsequent events

Management has evaluated subsequent events through November 24, 2025.



**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**2. Summary of Significant accounting policies - continued**

Comparative data

The financial information included for the year ended December 31, 2023 is presented in total but not by class or function. This information is presented for comparative purposes and is not intended to be a complete financial presentation. Accordingly, such information should be read in conjunction with the December 31, 2023 financial statements from which this information was derived.

**3. Restrictions on assets**

The Bureau reports contributions of cash or other assets as either support restricted by time or purpose or support restricted in perpetuity if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets restricted by time or purpose are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfaction of restrictions.

Net assets with donor restrictions at December 31, 2024 were \$0.

**4. Property and equipment**

The Bureau capitalizes all expenditures for property and equipment in excess of \$500. Property and equipment is recorded at cost at date of purchase or at estimated fair value at date of gift. Expenditures which increase useful lives are capitalized while maintenance and repairs are charged to expense. Assets are depreciated over their estimated useful lives using the straight-line method.

The following is a summary of property and equipment at December 31, 2024:

Equipment	\$ 49,019
Software	<u>5,972</u>
Total	54,991
Less accumulated depreciation and amortization	<u>( 26,378)</u>
Net property and equipment	<u>\$ 28,613</u>

**5. Retirement plan**

The Bureau sponsors a defined contribution pension plan (a SIMPLE IRA) for all eligible employees. During the year ended December 31, 2024, the Bureau's contribution to the plan totaled \$22,985.

**6. Description of program and supporting services**

Program services consist of travel and tourism promotion. The Bureau encourages and stimulates interest in Erie and Ottawa Counties through advertisement and other educational and informational means. It fosters knowledge and distribution of the Bureau's publication, *Lake Erie Shores & Islands*.

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**6. Description of program and supporting services - continued**

Supporting services consist of general and management services. The services include the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Bureau's program strategy through the President, secure proper administrative functioning of the Board of Trustees and manage the financial and budgetary responsibility of the Bureau.

**7. Related party transactions**

Several of the Bureau's Trustees are also trustees of the two County Visitors Bureaus that fund the majority of revenue Lake Erie Shores and Islands dba Shores & Islands Ohio receives annually. Some of the Trustees and their respective companies purchase advertising services from the Bureau and benefit from other promotional activities of the Bureau. These related companies purchased \$29,010 of advertising services from the Bureau during the year ended December 31, 2024. Additionally, the Bureau purchased \$26,862 in services from related organizations.

**8. Support and revenue - concentration**

The Bureau receives the majority of its support from Erie County Visitors and Convention Bureau and Ottawa County Visitors Bureau. Both Bureaus have agreed to contribute 75% of their annual revenue to Lake Erie Shores and Islands dba Shores & Islands Ohio. For the year ended December 31, 2024, the amount of support from the Bureaus' was \$4,457,939. Because a majority of the Bureau's support is from this funding, any unanticipated loss of revenue within the Bureaus could adversely affect operations.

**9. Operating leases**

The Bureau leases various office equipment under non-cancelable operating leases that expire in various years through 2026.

The Bureau's lease arrangements may contain both lease and non-lease components. The Bureau has elected to combine and account for lease and non-lease components as a single lease component for its leases. Most leases include renewal options which can extend the lease term. The exercise of these renewal options is at the sole discretion of the Bureau, and only lease options that the Bureau believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. Payments under the Bureau's lease arrangements may be fixed or variable, and variable lease payments are primarily based on output of the underlying leased assets. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The components of operating lease costs that are charged to expenses in the statement of activities for the year ended December 31, 2024 were as follows:

Operating lease cost	\$ <u>11,280</u>
Variable lease cost	\$ <u>392</u>

**LAKE ERIE SHORES AND ISLANDS**  
**dba SHORES & ISLANDS OHIO**  
**OTTAWA COUNTY**

**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**9. Operating leases - continued**

Cash paid for amounts included in the measurement of operating lease liabilities was \$11,280 for the year ended December 31, 2024.

Operating lease liability maturities as of December 31, 2024, are as follows:

2025	\$ 9,840
2026	9,120
2027	-
2028	-
2029	-
Thereafter	<u>-</u>
Total undiscounted liabilities	18,960
Less: imputed interest	<u>600</u>
Total operating lease liabilities	<u><u>\$ 18,360</u></u>

The weighted-average remaining lease term related to the Bureau's lease liabilities as of December 31, 2024 is 1.93 years.

The discount rate related to the Bureau's lease liabilities as of December 31, 2024 was 3.50%. The discount rates are generally based on estimates of the Bureau's incremental borrowing rate, as the discount rates implicit in the Bureau's leases cannot be readily determined.

**10. Liquidity and funds available**

The following table reflects the Bureau's financial assets as of December 31, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held by others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets:	
Cash and cash equivalents	\$ 1,087,469
Accounts receivable, net	<u>18,965</u>
Financial assets at year-end	1,106,434
Less those unavailable for general expenditure within one year	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,106,434</u></u>

**LAKE ERIE SHORES AND ISLANDS  
dba SHORES & ISLANDS OHIO  
OTTAWA COUNTY**

**Notes to the Financial Statements  
For the Year Ended December 31, 2024**

**10. Liquidity and funds available - continued**

The Bureau has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Lake Erie Shores and Islands  
dba Shores & Islands Ohio  
Ottawa County  
770 Southeast Catawba Road  
Port Clinton, Ohio 43452

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of Lake Erie Shores and Islands dba Shores & Islands Ohio, Ottawa County, Ohio (the Bureau), (a not-for-profit corporation), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated November 24, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Bureau's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bureau's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

November 24, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**LAKE ERIE SHORES AND ISLANDS DBA SHORES & ISLANDS OHIO**

**OTTAWA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/16/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)