

Southern Ohio Growth Partnership, Inc. and Affiliates

Scioto County

Regular Audit

January 1, 2009 through December 31, 2009

Fiscal Year Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

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SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES



Mary Taylor, CPA
Auditor of State

Board of Trustees
Southern Ohio Growth Partnership, Inc. and Affiliates
342 Second Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the Southern Ohio Growth Partnership, Inc. and Affiliates, Scioto County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Southern Ohio Growth Partnership, Inc. and Affiliates is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 21, 2010

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SCIOTO COUNTY
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Board of Trustees
Southern Ohio Growth Partnership, Inc. and Affiliates
342 Second Street
Portsmouth, Ohio 45662

Independent Auditor's Report

We have audited the accompanying statement of financial position of the Southern Ohio Growth Partnership, Inc. and Affiliates, Scioto County, as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Southern Ohio Growth Partnership, Inc. and Affiliates' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

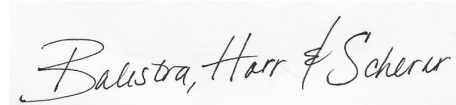
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Ohio Growth Partnership, Inc. and Affiliates, as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, on our consideration of the Southern Ohio Growth Partnership, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Trustees
Southern Ohio Growth Partnership, Inc. and Affiliates
Independent Auditor's Report
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Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of functional expenses on pages 12-13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

June 30, 2010

Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County
Consolidated Statement of Financial Position

December 31, 2009

	2009
Assets:	
Current Assets:	
Cash	\$ 324,177
Receivables:	
Accounts	50,539
Loans (Net of Allowance for Doubtful Accounts)	200,061
Prepaid Assets	3,052
Inventory	31,809
Deposits	8,297
Total Current Assets	617,935
Long-Term Loans Receivable	3,392,054
Net Property, Plant & Equipment	1,424,760
Total Assets	\$ 5,434,749
Liabilities and Net Assets:	
Current Liabilities	
Accounts payable and Accrued Expenses	\$ 20,159
Notes Payable	127,767
Capital Leases Payable	11,106
Mortgage Payable	28,883
Sales Tax Payable	877
Total Current Liabilities	188,792
Capital Leases Payable	6,531
Mortgage Payable	365,629
Accrued Interest Payable	7,508
Notes Payable	2,662,219
Total Liabilities	3,230,679
Net Assets:	
Unrestricted	846,154
Temporarily Restricted	1,357,916
Total Net Assets	2,204,070
Total Liabilities and Net Assets	\$ 5,434,749

The accompanying notes are an integral part of these financial statements.

Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County
Consolidated Statement of Activities

For the Years Ended December 31, 2009

	2009
Changes in Unrestricted Net Assets:	
Unrestricted Revenue:	
Contributions	\$ 35,770
Grants	14,000
Fees	261,282
Dues	80,036
Miscellaneous	100,586
Total Unrestricted Revenue	491,674
Expenses:	
Greater Portsmouth Growth Corporation	93,086
Portsmouth Area Chamber of Commerce	164,714
Portsmouth Murals	173,058
PMI Building Fund	39,947
Gift Shop	18,317
Leadership Portsmouth	1,803
Intermediary Relending Program IV	42,637
Intermediary Relending Program III	42,423
Intermediary Relending Program II	49,495
Intermediary Relending Program I	47,916
PMI Maintenance Fund	11,500
Rural Business Enterprise Grant	14,155
Rural Business Enterprise Grant II	21,010
Rural Business Enterprise Grant III	27,576
Labor Mural Fund	545
General and Administration Expenses	225,243
Total Expenses before Depreciation	973,425
Depreciation	41,703
Total Expenses	1,015,128
Decrease in Unrestricted Net Assets	(523,454)
Changes in Temporarily Restricted Net Assets	
Interest	163,485
Fees	606
Increase in Temporarily Restricted Net Assets	164,091
Decrease in Net Assets	(359,363)
Net Assets, Beginning of Year	
Unrestricted	1,369,608
Temporarily Restricted	1,193,825
	2,563,433
Net Assets, End of Year	
Unrestricted	846,154
Temporarily Restricted	1,357,916
Net assets, end of year	\$ 2,204,070

The accompanying notes are an integral part of these financial statements.

Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County
Consolidated Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2009

Cash Flows From Operating Activities:	
Change in net assets	\$ (359,363)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	41,703
Allowance for Doubtful Accounts	397,926
Increase in accounts receivable	(11,390)
Increase in prepaid assets	(820)
Increase in deposits	(2,097)
Decrease in Inventory	6,672
Decrease in sales tax payable	(99)
Decrease in Deferred Revenue	(13,550)
Decrease in accounts payable and accrued expenses	(5,724)
Net cash provided by operating activities	<u>53,258</u>
 Cash Flows From Investing Activities:	
Payments for Capital Acquisitions	(16,115)
Principal disbursements on notes receivable	(140,000)
Loss on sale of capital assets	(94,642)
Payments received on notes receivable	448,908
Net cash used in investing activities	<u>198,151</u>
 Cash Flows From Financing Activities:	
Payments on long-term debt	(177,598)
Net cash provided by financing activities	<u>(177,598)</u>
Net Increase In Cash	73,811
Cash at January 1, 2009	250,366
Cash at December 31, 2009	<u>\$ 324,177</u>

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

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Southern Ohio Growth Partnership and Affiliates is a private non-profit corporation created in accordance with Section 1702.010et. Seq. of the Ohio Revised Code. The Southern Ohio Growth Partnership and Affiliates was created in 1991 to stimulate area-wide economic growth by acting as an integral part of economic development in southern Ohio, and northern Kentucky in the direction and coordination of the activities of area organizations to accomplish a cohesive, non-duplicating effort.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements of the Southern Ohio Growth Partnership and Affiliates have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

C. CONSOLIDATION OF RELATED ENTITIES

The Southern Ohio Growth Partnership and Affiliates has adopted the provisions of the American Institute of Certified Public Accountants (AICPA) Statement of Position No. 94-3 (SOP 94-3), *Reporting of Related Entities by Not-for profit Organizations*. SOP 94-3 states that a not-for-profit organization should consolidate another not-for-profit organization if the reporting not-for-profit organization has both the control of the other not for profit organization, as evidenced by either majority ownership or a majority voting interest in the board of the other not-for-profit organization, and an economic interest in the other not-for-profit organization.

A brief description of each of the related entities follow:

Greater Portsmouth Growth Corporation

The Greater Portsmouth Growth Corporation (GPCC) strives to create development in southern Ohio, including developing an industrial land park.

Portsmouth Area Chamber of Commerce

The Portsmouth Area Chamber of Commerce (PACC) was created to promote business in Portsmouth, Ohio and the surrounding areas.

Retail Merchants Association

The Retail Merchants Association (RMA) is a business association organized to promote business in downtown Portsmouth, Ohio.

Portsmouth Murals, Inc.

Portsmouth Murals Inc (PMI) is a business association organized to promote the historic preservation of the Portsmouth area through the painting of murals on various buildings and landmarks inside the city limits.

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. FINANCIAL STATEMENT PRESENTATION

The Southern Ohio Growth Partnership and Affiliates has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting of Contributions Received and Made*, and SFAS No. 117, *Financial Statement for Not-Profit Organizations*. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received and for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows:

Permanently Restricted Net Assets – The Southern Ohio Growth Partnership and Affiliates reports gifts of cash and other assets as permanently restricted support if they are received with donor stipulations that limit the use of the donated assets in perpetuity.

Temporarily Restricted Net Assets - The Southern Ohio Growth Partnership and Affiliates reports gifts of cash, grants and other assets as temporarily restricted support 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 restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. These net assets may or will be met with actions of the Southern Ohio Growth Partnership and/or the passage of time.

Unrestricted Net Assets - The Southern Ohio Growth Partnership and Affiliates reports gifts of cash, land, buildings and equipment as unrestricted unless explicit donor stipulations specify how the donated assets must be used.

E. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between management and general or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Southern Ohio Growth Partnership and Affiliates.

F. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reporting 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.

G. PROPERTY, PLANT & EQUIPMENT

Fixed assets acquired for the general use of the Southern Ohio Growth Partnership and Affiliates in providing service are recorded at cost. Depreciation of fixed assets of the Southern Ohio Growth Partnership and Affiliates is calculated utilizing the straight line method. All assets reported in the financial statements are at cost less accumulated depreciation.

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. PROPERTY, PLANT & EQUIPMENT (Continued)

The estimated useful lives by major fixed asset class are as follows:

Buildings	40 years
Equipment	5 years
Furniture & Fixtures	5 years

H. INCOME TAXES

The Southern Ohio Growth Partnership and Affiliates, is a not-for-profit corporation and is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. The Southern Ohio Growth Partnership and Affiliates is also exempt from Ohio income tax.

The Greater Portsmouth Growth Corporation is a not-for-profit organization exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. The Portsmouth Area Chamber of Commerce and the Retail Merchants Association are not-for-profit organizations exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and the Portsmouth Murals, Inc. is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. These related organizations are also exempt from Ohio franchise or income tax.

I. REVENUES

Revenues are recognized in the accompanying financial statements as follows:

1. Grants and Reimbursement Contracts

The funds from various funding sources under reimbursement contracts are recognized as revenue in the accounting period in which the grant is awarded.

2. Interest Income

Interest Income is recognized in the accounting period when it is earned. The Southern Ohio Growth Partnership and Affiliates, maintains funds received from the various sources in interest bearing checking accounts. The portion of interest earned on advances of direct federal funds is remitted to the federal funding sources in accordance with OMB Circular A-110, Attachment D, Uniform Administrative Requirements of Grants and Agreements with Nonprofit Organizations. The interest earned on other funds is included in unrestricted funds and is used to support the Southern Ohio Growth Partnership and Affiliates programs.

3. Contributions

Private sector contributions are recognized as revenue in the accounting period in which they are earned.

4. Fees

Fees for services are recognized as revenue in the accounting period in which they are earned.

5. Dues

Dues for memberships in various organizations are recognized as revenue in the accounting period in which they are earned.

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. REVENUES (Continued)

6. Rental Income

Rental Income received for non-related organizations is recognized as revenue in the accounting period in which it is earned.

J. EXPENSES

Disbursements for goods, services, materials and equipment are recorded as expenses when incurred.

K. CASH AND CASH EQUIVALENTS

Investments with original maturities of three months or less at the time they are purchased by the Southern Ohio Growth Partnership and Affiliates are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

NOTE 2 - CASH

Protection of the Southern Ohio Growth Partnership and Affiliates' deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Cash on Hand At December 31, 2009, the Southern Ohio Growth Partnership and Affiliates had \$250 in undeposited cash on hand which is included on the statement of financial position of the Southern Ohio Growth Partnership and Affiliates as part of cash.

Deposits At year end, the carrying amount of the Southern Ohio Growth Partnership and Affiliate's deposits was \$323,927 and the bank balance was \$331,319, all of which was covered by FDIC.

NOTE 3 - PROPERTY, PLANT & EQUIPMENT

The balance of property and equipment at December 31, 2009, consists of the following:

Buildings	\$1,483,737
Land	70,000
Furniture and fixtures	<u>37,834</u>
Total	1,591,571
Accumulated depreciation	<u>(166,811)</u>
Net	<u>\$1,424,760</u>

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE 4 - LOANS RECEIVABLE

The loans receivable balance consists of loans to various local and regional businesses. Interest rates were based on the current rates and risk at the time of the loans ranging from 5% to 11.5%. The loans have various lengths and maturity dates and all loans are collateralized by one or more of the following: business assets, personal assets or personal guarantees of the borrowers. Loans are considered fully collectible unless the borrower files bankruptcy. The changes in the Loans Receivable balances during 2009 are as follows:

Balance at 12/31/08	New Loans During 2009	Principal Paid in 2009	Balance at 12/31/09	*Current Portion
4,298,949	140,000	(448,908)	3,990,041	597,987

* In 2009 the Partnership's Allowance for Doubtful Accounts with regards to Loans Receivable was \$397,926.

NOTE 5 - NOTES PAYABLE

Notes payable at December 31, 2009 consists of the following:

Note payable to United States Department of Agriculture at 1.0% interest with annual payments of \$42,450 (including interest). The note is secured by a UCC lien on the revolving loan fund.	\$ 658,974
Note payable to United States Department of Agriculture at 1.0% interest with annual payments of \$42,450 (including interest). The note is secured by a UCC lien on the revolving loan fund.	765,844
Note payable to United States Department of Agriculture at 1.0% interest with annual payments of \$31,855 (including interest), starting in 2004. The note is secured by a UCC lien on the revolving loan fund.	625,737
Note payable to United States Department of Agriculture at 1.0% interest with annual payments of \$31,855 (including interest), starting in 2011. The note is secured by a UCC lien on the revolving loan fund.	725,339

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES
SCIOTO COUNTY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009
(Continued)

NOTE 5 - NOTES PAYABLE (Continued)

Note payable to Oak Hill Banks at 7.00% interest for the next one-year period. Quarterly principal and interest payments of \$14,163.33 beginning January 30, 2006 and continuing quarterly thereafter until the loan is paid in full.	394,512
Note payable to Portsmouth Mural Products at 0% interest with annual payments of 7,343.11. beginning December 31, 2009	14,092
Lease payable to at 7.81% interest with monthly payments of \$550 (principal and interest). The lease is secured by a copier.	8,250
Car lease payable to GMAC with monthly payments of \$375.48 for 36 months	<u>9,387</u>
Total	3,202,135
Less current maturities	<u>(167,756)</u>
Long Term Portion	<u>\$3,034,379</u>

The aggregate maturities on long-term debt as of December 31, 2009 are as follows:

2010	167,756
2011	166,636
2012	157,635
2013	160,884
2014	164,692
Thereafter	<u>2,384,532</u>
	<u>\$ 3,202,135</u>

NOTE 6 - RELATED PARTIES

A Board of Trustee member has part ownership in Portsmouth Insurance Agency which has a loan outstanding with SOGP through the Intermediary Relending Program. In September 2000 and May 2008, Portsmouth Insurance Agency received \$150,000 and \$100,000 notes, respectively, from SOGP. In 2008, Portsmouth Insurance Agency refinanced the 2000 note. The principal balance was paid in the amount of \$54,665 and a new note was issued in the amount of \$44,436. The unpaid balance at 12/31/09 was \$127,683.

NOTE 7 - CONCENTRATIONS

The Southern Ohio Growth Partnership and Affiliates depends on grants from federal, state and local sources for its continued existence.

**Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County**

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Greater Portsmouth Growth Corporation	Portsmouth Area Chamber of Commerce	Portsmouth Murals	PMI Building Fund	Intermediary Relending Program I	Intermediary Relending Program II	Intermediary Relending Program III	Intermediary Relending Program IV	PMI Maintenance Fund
Personnel	\$ 560	\$ 75,003	\$ 499	\$ 10,104	\$ -	\$ -	\$ -	\$ -	\$ -
Consultants/Contractual	15,000	12,587	6,020	5,871	12,400	12,764	12,400	12,400	11,500
Travel	-	131	618	-	-	-	-	-	-
Training	-	49	-	-	-	-	-	-	-
Utilities	-	5,508	-	16,388	-	-	-	-	-
Supplies	-	6,913	2,480	2,656	-	-	-	-	-
Equipment Lease and Maintenance	-	8,525	243	4,684	-	-	-	-	-
Promotions/Community functions	-	36,861	11,786	-	-	-	-	-	-
Other	77,526	19,137	151,412	244	35,516	36,731	30,023	30,237	-
Total	\$ 93,086	\$ 164,714	\$ 173,058	\$ 39,947	\$ 47,916	\$ 49,495	\$ 42,423	\$ 42,637	\$ 11,500

**Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County**

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Labor	Rural Business Enterprise Fund	Rural Business Enterprise Grant	Rural Business Enterprise Grant II	Rural Business Enterprise Grant III	Gift Shop	Leadership Portsmouth	Total Programs	General and Administrative	Total Expenses
Personnel	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,166	\$ 181,325	\$ 267,491
Consultants/Contractual		-	7,500	7,500	7,500	-	653	124,095	26,357	150,452
Travel		-	-	-	-	-	-	749	5,070	5,819
Training		-	-	-	-	-	-	49	-	49
Utilities		-	-	-	-	-	-	21,896	1,836	23,732
Supplies		-	-	-	-	680	-	12,729	2,753	15,482
Equipment Lease and Maintenance		-	-	-	-	-	-	13,452	1,916	15,368
Promotions/Community functions		-	-	-	-	-	1,005	49,652	116	49,768
Other		545	6,655	13,510	20,076	17,637	145	439,394	5,870	445,264
Total	\$	545	\$ 14,155	\$ 21,010	\$ 27,576	\$ 18,317	\$ 1,803	\$ 748,182	\$ 225,243	\$ 973,425



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by
*Government Auditing Standards***

Board of Trustees
Southern Ohio Growth Partnership, Inc. and Affiliates
342 Second Street
Portsmouth, Ohio 45662

We have audited the accompanying financial statements of the Southern Ohio Growth Partnership, Inc. and Affiliates, (the Partnership) as of and for the year ended December 31, 2009, and have issued our report thereon dated June 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Partnership's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Partnership's financial statements will not be prevented, or detected and timely corrected.

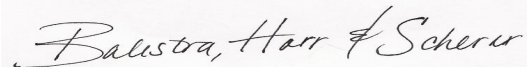
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Trustees
Southern Ohio Growth Partnership, Inc. and Affiliates
Scioto County
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Partnership's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management and the board of trustees. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
June 30, 2010

Southern Ohio Growth Partnership, Inc. and Affiliates
Schedule of Prior Audit Findings
December 31, 2009

Finding Number	Finding Summary		Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer
2008-001	The Association did not maintain a detailed listing of s capital assets.	Yes	



Mary Taylor, CPA
Auditor of State

SOUTHERN OHIO GROWTH PARTNERSHIP, INC. AND AFFILIATES

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 5, 2010**