



Dear Sponsors, Managers and CPAs,

November 3, 2009

We at the National Equity Fund would like to start by thanking you again for working so hard to meet our mutual year-end reporting goals. This letter summarizes the year-end reporting deadlines that we must meet in order to continue our success in meeting our investor reporting deadlines as well as other helpful information to assist you. If you have reported with us before, these requirements and deadlines will look familiar to you, however some **changes have been made which may affect you.**

Reporting Requirements

- **Audit Engagement Letter**
(Required only for projects listed on the 2009 Engagement Letter Required List)
- **Draft Partnership Financial Statements & Tax Returns** for NEF Review
(Required only for projects listed on the 2009 Draft Required List)
- **Independence Letters & Peer Reviews**
- **Analytical Review Documentation**
(Required only for projects on the 2009 Analytical Review Selection List)
- **Final Audited Financial Statements and Tax Returns**
(Please ensure the audit opinion is signed, dated and on the CPA's letterhead)

Deadlines

- November 30, 2009**
- February 15, 2010**
- February 28, 2010**
- February 28, 2010**
- February 28, 2010**

Draft Partnership Financial Statements and Tax Returns for NEF Review

Draft financial statements and tax returns are required for projects listed on the [2009 Draft Required](#) list. (See chart attached to this letter for more information.)

NEW FOR 2009

Projects Selected for Analytical Review Support

As part of the NEF audit process, some projects will be selected for analytical review and will be required to submit additional documentation as part of the audit report submission. We will notify you via email and via the *Analytical Review Selection List* on the NEF website. The required supporting documents include:

- **Analytical analysis** of income statement with explanation of material variances and **supporting documentation** for material variances
- **Signed management representation letter**
- **Summary of audit differences** from CPA
- **Overaudit questionnaire** completed by CPA

Samples of all required documentation may be found at [www.NEFinc.org/ Accountants / Sample Documents](http://www.NEFinc.org/Accountants/Sample Documents)

Audit Waivers

Projects which have been granted audit waivers by Tracy Townsend will need to submit additional documentation for year end 2009. Please see the documentation requirements for waived audits on the audit waiver request form and the [NEF website](#).

Resources

As a convenience, NEF makes sample audit and tax letters, analytical analyses and schedules available on the NEF, Inc. website under reporting information and sample documents. ([www.NEFinc.org/ Accountants](http://www.NEFinc.org/Accountants)) We strongly recommend that you utilize these tools throughout the course of the year-end reporting process.


Submission

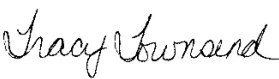
Please submit all financial statements, tax returns, analytical review documentation and independence letters via an **electronic "pdf" file**. Send all files to yereporting@nefinc.org. Please do not encrypt or password-protect file submissions.


We prefer electronic submissions; if you must mail year-end information, please send unbound materials to: **National Equity Fund, Inc., 120 South Riverside Plaza, 15th Floor, Chicago, IL 60606, Attn: Year-End Reporting Department.**

Thank you in advance for your continued support and efforts as we move forward with the 2009 year-end reporting process. If you have any questions prior to or during the year-end reporting process, please contact us via email at yereporting@nefinc.org.

Sincerely,


Susan Weaver
Manager of Project Reporting


Tracy Townsend
Asst. Controller - Fund Accounting


Peter Harrison
Senior Vice President of Asset Management

2009 NEF Year End Reporting Summary

Summary of Reporting Deadlines and Requirements:

Reporting Documents	Location of sample documents on the www.NEFinc.org website:	Deadline to NEF (Send to: yereporting@nefinc.org)
Audit Engagement Letter <i>(if required)</i>	www.NEFinc.org/ Accountants/ Sample Documents / Sample Engagement Letter	November 30, 2009
Audit Waiver Request ¹	www.NEFinc.org/ Accountants/ Reporting Information / Audit Waiver Request	Nov. 4, 2009 – Dec. 31, 2009
Waived Audit Required Documents <i>(Required for ALL <u>waived</u> audits, only)</i>	www.NEFinc.org/ Accountants/ Reporting Information / Audit Waiver Request	January 15, 2010
Draft Partnership Financial Statement <i>(if required)</i>		February 15, 2010
Draft Partnership Tax Return <i>(if required)</i>		February 15, 2010
Final 2009 Audit Report	www.NEFinc.org/ Accountants/ Sample Documents / Audit Report	February 28, 2010
Final 2009 Tax Return	www.NEFinc.org/ Accountants/ Sample Documents / Tax Materials	February 28, 2010
CPA Independence Letter ² <i>(Required for ALL audits)</i>	www.NEFinc.org/ Accountants/ Sample Documents / Independence Letter	February 28, 2010
CPA Peer Review <i>(Required for all CPAs)</i>		Ensure that NEF has a copy of the <u>most recent</u> Peer Review on file
Analytical Review Support <i>(if required)</i>	www.NEFinc.org/ Accountants/ Sample Documents / Analytical Review	February 28, 2010

¹ For properties requesting an audit waiver which were not on the preliminary list emailed on Nov. 3, 2009 (See below)

² Please address the independence letters to both KPMG LLP and Novogradac & Company LLP

The reporting information below can be found on the NEFinc Website³ and should be used by your partnership to prepare the year-end reporting documents:

Reporting Information	Date Available Online
<i>NOTE: The lists below are subject to change based on new information received after the posting date; check the NEF website regularly for changes which may occur.</i>	
List of projects required to submit the audit engagement letter	November 3, 2009
List of projects approved for a 2009 audit waiver	January 8, 2010 (Final) <i>November 3, 2009</i> ⁴
Limited Partner Receivable Confirmations As of 12/31/2009	January 8, 2010
List of projects required to submit draft audits and tax returns	January 8, 2010 (Final) <i>November 3, 2009</i> ⁴
List of projects selected for Analytical Review Support	December 15, 2009

³ Information/lists are available at www.Nefinc.org/accountants/reportinginformation

⁴ Preliminary List