

National Equity Fund ^{INC}

an affiliate of LISC 

Dear Sponsors, Managers and CPAs,

September, 2011

We at the National Equity Fund would like to thank you for all your efforts in making 2010 a successful reporting season . We appreciate the level of hard work and cooperation it took to meet our mutual year-end reporting goals. This letter summarizes the 2011 limited partnership year-end reporting deadlines that must be met in order to continue our success in meeting our investor reporting deadlines, as well as other helpful information to assist you during this time. 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** (see list attached)
- **Draft Partnership Financial Statements & Tax Returns** for NEF Review
(Required only for projects listed on the 2011 Draft Requirement List.)
- **Independence Letters, Peer Reviews & CPA Analytical Analysis**
- **Final Audited Financial Statements and Tax Returns**

Deadlines

November 30, 2011
February 15, 2012

February 28, 2012
February 28, 2012

Draft Partnership Financial Statements and Tax Returns for NEF Review

Projects which have delivered a full annual allocation of credits prior to December 31, 2011 are considered stable. Drafts for these projects are not required, unless specifically requested by NEF Inc. (See chart attached to this letter for more information)

NEF Required Documents from CPA's

As part of the NEF audit process, select projects will be required to submit additional required documents as part of the audit report submission. We will notify you via email and/or the "CPA's Required to Submit Analyticals" on the NEF website. The required documents include:

- **Analytical analysis** of income statement (see NEF website for sample analysis) with explanation of material variances
- Signed **management representation letter**
- Summary of **uncorrected audit differences** from CPA if applicable
- Completed **over-audit questionnaire & reporting checklist**

Audit Waivers

Projects which are not required to submit audited financial statements will need to submit additional documentation for year end 2011. Please see the documentation requirements for waived audits on the attached chart and on the NEF website.

Resources

As a convenience, NEF makes standard audit and tax letters, analytical analyses and schedules available on the NEF, Inc. website. We strongly recommend that you utilize these tools throughout the course of the year-end reporting process. A summary of these resources can be found on the chart attached to this letter.

Submission

Our preferred method of submission for all financial statements, tax returns, workpapers and independence letters is electronically in the form of a "pdf" file via the **NEF CPA Portal**. To register for the portal please complete the attached registration form. All other submissions should be sent via email to yereporting@nefinc.org. Due to the volume of reports received, NEF Inc. can no longer accept faxed or mailed submissions. Please contact Project Reporting with questions or concerns.

Thank you in advance for your continued support and efforts as we move forward with the 2011 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,



Michele Davis
Manager, Project Reporting



Tracy Townsend
V.P. Controller - Fund Accounting



Peter Harrison
Senior Vice President of Asset Management

2011 NEF Year End Reporting Summary

Summary of Reporting Deadlines and Requirements:

Reporting Documents	Deadline to NEF (Send to: vereporting@nefinc.org)
Audit Engagement Letter	November 30, 2011
Audit Waiver Request*	December 15, 2011
Waived Audit Documentation (Required for ALL waived audits, only)	January 31, 2012
Draft Partnership Financial Statement	February 15, 2012 (if required)
Draft Partnership Tax Return	February 15, 2012 (if required)
Final 2010 Audit Report	February 28, 2012
Final 2010 Tax Return	February 28, 2012
CPA Independence Letter**	February 28, 2012
CPA Peer Review (Current Peer Review must be on file with NEF)	February 28, 2012
Analytical Review (Overaudit) Support	February 28, 2012 (if required)

*For properties requesting an audit waiver which are not on the preliminary list posted on Nov. 15, 2011 (See below)

**Required for ALL audit submissions. Please address the independence letters to both KPMG LLP and Novogradac & Company LLP

The following items can be found on the NEF Inc. Website and should be used by your partnership:

Reporting Information (Accessible at: www.NEFinc.org/accountants/information)	Date Available Online
List of projects whose requirement for audited financial statements has been waived	January , 2012 (Final) <i>November, 2011*</i>
Limited Partner Receivable Confirmations As of 12/31/2011	January , 2012
List of projects required to submit draft audits and tax returns	January , 2012 (Final) <i>November , 2011*</i>
List of projects requiring CPAs to provide Analytical Review (Overaudit) Support	January, 2012 (Final) <i>December, 2011*</i>

*Preliminary List

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NEF Inc. CPA Portal Registration Form

Name: _____

CPA Firm: _____

Office Address: _____

Email Address: _____

Phone Number: _____

Fax Number: _____

Please submit the completed form to YEReporting@NEFInc.Org

NEF INTERNAL USE ONLY	
User Name:	
Contact Info Entered?	
Confirmation Email Sent?	
Confirmed LP's?	