

FREQUENTLY ASKED QUESTIONS

Q. Are we required to complete an audit and tax return?

A. Yes, however there may be times (very rare) when an Audit or Tax Return can be waived or not considered necessary. If you feel that this may apply to your property, please consult with your Regional Accounting Manager immediately.

Q. What is the due date?

A. Drafts are due by February 15 and Finals are due by March 1 only where a draft was not required. Do Not issue the final if a draft was required until comments have been provided by Enterprise. Please see the Audit and Tax Return Requirements on our website <http://reporting.enterprisecommunity.com/>.

Q. Will I always be required to submit drafts?

A. No, at certain points within the life of the operating partnership the Tax and Regional Accounting Team will notify you once the draft requirement has been waived and the due date would be extended to March 1.

Q. In what format should the documents be sent?

A. Documents should be submitted in pdf format through our secure e360 Community at: www.e360community.com.

Q. Will our audit or tax return be used by anyone else?

A. Yes, by the fund auditors; which is why it is necessary to provide a Component Auditor Letter and specific workpapers which may be requested by them.

Q. Should the audit reflect all of the Capital Contributions that we expect to receive?

A. No, only contributions actually received should be recorded.

Q. How should costs paid by Enterprise on behalf of the LP be recorded?

A. Typically, these would be recorded as a reduction of the Limited Partner's equity account, but this should be verified through review of the underwriting Projections.

Q. What disclosures related to SFAS No. 144 – Impairment Analysis are required?

A. The footnotes to the financial statements should include a statement that impairment was assessed as of December 31st and the result of this assessment.

Q. What is the appropriate depreciable life for fixed assets?

A. The depreciable life for GAAP using the straight line method is forty years for building, fifteen years for land improvements and five years for Furniture Fixtures and Equipment. Please refer to the projections for Tax Purposes. Consult directly with the Regional Accounting Manager should you have any questions.