

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended June 30, 2007 Commission file number 2-90654

AMRECORP REALTY FUND II

(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction of
incorporation or organization)

75-1956009
(IRS Employer
Identification Number)

2800 N. Dallas Pkwy Suite 100
Plano, Texas 75093-5994

(Address of principal executive offices)

Registrant's telephone number, including area code: (972) 836-8000.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: Y No:

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes: No: N

Indicate by check mark whether the registrant is a shell Partnership (as defined in Rule 12b-2 of the Exchange Act).

Yes: No: N

REGISTRANT IS A LIMITED PARTNERSHIP

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The following Unaudited financial statements are filed herewith:

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The statements, insofar as they relate to the period subsequent to December 31, 2006 are Unaudited.

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

AMRECORP REALTY FUND II

Condensed Balance Sheets

	June 30, <u>2007</u> (Unaudited)	December 31, <u>2006</u>
ASSETS		
Real estate held-for-sale, net of depreciation	\$1,406,302	\$1,544,606
Cash including cash investments	155,639	73,658
Due from Affiliate	---	2,063
Deferred Costs and Fees	70,155	77,950
Other assets	29,335	16,789
Total Assets	<u>\$1,661,431</u>	<u>\$1,715,066</u>
LIABILITIES AND PARTNERS' EQUITY:		
LIABILITIES:		
Liabilities related to assets held-for-sale	\$3,920,348	\$4,023,547
Payable to Affiliates	200	---
Accounts payable and accrued expenses	29,635	24,635
Total Liabilities	<u>3,950,183</u>	<u>4,048,182</u>
PARTNERS CAPITAL (DEFICIT):		
Limited Partners	-2,216,587	-2,260,507
General Partners	-72,165	-72,609
Total Partners Capital (Deficit)	<u>-2,288,752</u>	<u>(2,333,116)</u>
Total Liabilities and Partners Equity	<u>\$1,661,431</u>	<u>\$1,715,066</u>

See notes to Condensed Financial Statements

AMRECORP REALTY FUND II
Condensed Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30	
	<u>2007</u>	<u>2006</u>	2007	2006
REVENUES				
Interest Income	1,155	1,465	1,810	2,209
Total revenues	1,155	1,465	1,810	2,209
EXPENSES				
General administrative	4,350	15,803	8,035	18,529
Total expenses	4,350	15,803	8,035	18,529
Net loss from continuing operations	(3,195)	(14,338)	(6,225)	(16,320)
Net income from discontinued operations	34,551	13,837	50,589	34,617
NET INCOME (LOSS)	<u>\$31,356</u>	<u>(\$501)</u>	<u>\$44,364</u>	<u>\$18,297</u>
NET INCOME (LOSS) PER LIMITED PARTNERSHIP UNIT - BASIC	<u>\$ 2.13</u>	<u>\$ (0.03)</u>	<u>\$ 3.02</u>	<u>\$ 1.25</u>
Limited Partnership units outstanding Basic	14,544	14,544	14,544	14,544

See Notes to Condensed Financial Statements

AMRECORP REALTY FUND II
Condensed Statement of Cash Flows
Unaudited

	June Months Ended June 30,	
	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITY		
Net income	\$44,364	\$18,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	103,540	107,795
Net Effect of changes in operating accounts		
Escrow deposits	50,909	107,670
Accrued real estate taxes	63,498	63,498
Security deposits	(2,062)	3,854
Accounts payable	(139,659)	(129,412)
Other assets	(12,546)	(24,164)
Net cash provided by operating activities	<u>108,044</u>	<u>147,538</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Real Estate	(8,350)	(18,000)
Net cash used by investing activities	<u>(8,350)</u>	<u>(18,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage notes payable	(24,086)	(24,027)
Proceeds from amounts due affiliates	4,310	2,105
Repayment of amounts due to affiliates	2,063	0
Increase in accrued interest	---	(851)
Net cash used by financing activities	<u>(17,713)</u>	<u>(22,773)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,981	106,765
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	73,658	191,459
CASH AND CASH EQUIVALENT, END OF PERIOD	<u>\$155,639</u>	<u>\$298,224</u>

See Notes to Condensed Financial Statements

Basis of Presentation:

The accompanying unaudited condensed financial statements have been prepared by Amrecorp Realty Fund II (the "Partnership") pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. Although the Partnership believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's 2006 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The results of operations for interim periods are not necessarily indicative of the results for any subsequent quarter or the entire fiscal year ending December 31, 2007.

Real Estate Held For Sale & Discontinued Operations

In June 2007, the Partnership entered into a purchase and sale agreement to sell the Partnership's final property located in Texas to a third party for \$6,250,000. As a result, as required by Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the property and related assets and liabilities are classified as held for sale on the balance sheets, depreciation ceased and the property's operations are included in discontinued operations in the statements of operations for each of the periods presented. The sale is expected to close in the third quarter of 2007.

Real estate held-for-sale includes the following:

	June 30, 2007	December 31, 2006
Property at net book value	\$ 1,275,188	\$ 1,362,583
Escrow deposits	131,114	182,023
Real estate held-for-sale, net of depreciation	<u>\$ 1,406,302</u>	<u>\$ 1,544,606</u>

Liabilities relating to assets held-for-sale include:

	June 30, 2007	December 31, 2006
Mortgage payable	\$ 3,794,082	\$ 3,818,168
Real estate taxes payable	63,498	---
Security deposits	27,150	29,212
Accounts Payable	35,618	176,167
Liabilities related to assets held-for-sale	<u>\$ 3,920,348</u>	<u>\$ 4,023,547</u>

The operations of the property for the three and six months ending June 30, 2007 and 2006 are included in discontinued operations in the statements of operations. The following tables summarize the revenue and expense information for the discontinued operations:

	Six months ended June 30	
	2007	2006
Rents and other property revenues	\$ 502,715	\$ 479,258
Operating expenses	452,126	444,641
Operating income	\$ 50,589	\$ 34,617
Other income (expense)	---	---
Net income from discontinued operations	<u>\$ 50,589</u>	<u>\$ 34,617</u>

	Three months ended June 30	
	2007	2006
Rents and other property revenues	\$ 254,752	\$ 247,848
Operating expenses	220,201	234,011
Operating income	\$ 34,551	\$ 13,837
Other income (expense)	---	---
Net income from discontinued operations	\$ 34,551	\$ 13,837

Item 2. RESULTS OF OPERATIONS AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Results of Operations

At June 30, 2007 the Partnership owned one property, Chimney Square Apartments located in Abilene Texas with approximately 126,554 net rentable square feet. The occupancy of Chimney Square averaged 99.2% during the second quarter of 2007 as compared to 95.8% for the second quarter of 2006.

SECOND QUARTER 2007 COMPARED TO SECOND QUARTER 2006

Revenue from continuing operations decreased \$310 or 21.16%, for the second quarter of 2007, as compared to the 2006 second quarter. Interest income accounted for the decrease. The following table illustrates the components:

	<u>Increase (Decrease)</u>	<u>Per Cent Change</u>
Interest Income	<u>\$(310)</u>	21.16%
Net Decrease	<u>\$(310)</u>	<u>21.16%</u>

Continuing operating expenses decreased \$11,453 or 72.4%, for the second quarter of 2007, as compared to the same period in 2006. General & administrative decreased \$11,453 or 72.4%. The following table illustrates the components by category:

	<u>Increase (Decrease)</u>	<u>Per Cent Change</u>
General administrative	<u>\$(11,453)</u>	72.4%
Net (Decrease)	<u>\$(11,453)</u>	<u>72.4%</u>

FIRST SIX MONTHS 2007 COMPARED TO FIRST SIX MONTHS 2006

Revenue from continuing operations decreased \$399 or 18.06%, for the first six months of 2007, as compared to the 2006 first six months. Interest income accounted for the decrease. The following table illustrates the components:

	<u>Increase (Decrease)</u>	<u>Per Cent Change</u>
Interest Income	<u>\$(399)</u>	18.06%
Net Decrease	<u><u>\$(399)</u></u>	<u><u>18.06%</u></u>

Continuing operating expenses decreased \$10,494 or 56.63%, for the first six months of 2007, as compared to the same period in 2006. General & administrative decreased \$10,494 or 56.63%. The following table illustrates the components by category:

	<u>Increase (Decrease)</u>	<u>Per Cent Change</u>
General administrative	<u>\$(10,494)</u>	56.63%
Net (Decrease)	<u><u>\$(10,494)</u></u>	<u><u>56.63%</u></u>

LIQUIDITY AND CAPITAL RESOURCES

The General Partner has signed a contract to sell Chimney Square Apartments over the next few months. We anticipate a distribution of approximately \$140 per limited partnership unit shortly after the sale closes.

As of June 30, 2007, the Partnership had \$155,639 in cash and cash equivalents as compared to \$73,658 as of December 31 2006. The net increase in cash of \$81,981 is principally due to cash flow from operations.

On December 31, 2004 the partnership distributed \$100.00 per limited partnership unit to units of record December 31, 2004. This distribution was made from proceeds of refinancing Chimney Square Apartments.

The property is encumbered by non-recourse adjustable rate mortgage with an interest rate based on monthly LIBOR rate plus 1.53% which is 6.25% (the maximum rate) as of June 30, 2007. Required principal payments on this mortgage note for the three years ended December 31, 2009, are \$45,427, 48,014, and \$50,759 respectively.

On December 14, 2004 the Partnership refinanced the loan on Chimney Square Apartments. The original loan matured and a new \$3,920,000 loan from GEMSA Loan Services was obtained. The current note is payable in monthly installments of principal and interest to be calculated on the monthly LIBOR rate plus 1.53%, with a maximum rate of 6.25% through January 2012. The loan matures on January 2012. In connection with this loan, the lender required, and the Partnership provided, a single asset partnership known as Chimney Square Apartments, owned 99% by the Fund.

Item 3 – Quantitative and Qualitative Disclosure about Market Risk

The Partnership is exposed to interest rate changes primarily as a result of its real estate mortgages. The Partnerships interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives, the Partnership borrows primarily at fixed rates. The Partnership does not enter into derivative or interest rate transactions for any purpose.

The Partnerships' activities do not contain material risk due to changes in general market conditions. The partnership invests only in fully insured bank certificates of deposits, and mutual funds investing in United States treasury obligations.

Item 4 - Controls and Procedures

Based on their most recent evaluation, which was completed June 30, 2007 our Acting Principal Executive Officer and Chief Financial Officer, believe our disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) are effective. There were not any significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, and there has not been any corrective action with regard to significant deficiencies and material weaknesses.

Part II

Other Information

Item 1.	Legal Proceedings None
Item 2.	Changes in Securities. None
Item 3.	Defaults upon Senior Securities None
Item 4.	Submission of Matter to a Vote of Security Holders. None
Item 5.	Other Information. None
Item 6.	Exhibits

(A) The following documents are filed herewith or incorporated herein by reference as indicated as Exhibits:

Exhibit Designation

Document Description

	Limited Partnership Agreement incorporated by reference to Registration Statement No. 2-90654 effective July 6, 1984.
	Limited Partnership Agreement incorporated by reference to Registration Statement No. 2-90654 effective July 6, 1984.
11	Not Applicable
15	Not Applicable
18	Not Applicable
19	Not Applicable
20	Not Applicable
23	Not Applicable
31.1	Certification Pursuant to Rules 13a-14 and 15d-14 Under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMRECORP REALTY FUND II
a Texas limited partnership

By: /s/ Robert J. Werra
Robert J. Werra,
General Partner

Date: August 9, 2007

CERTIFICATION

I, Robert J. Werra, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Republic Realty Fund;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to

adversely affect the registrant's ability to record, process, summarize and report financial information; and

- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2007

/s/ Robert J. Werra

Robert J. Werra

Acting Principal Executive Officer and Chief
Financial Office

CERTIFICATION

Pursuant to 18 United States Code § 1350

I, Robert J. Werra, General Partner of Amrecorp Realty Fund II, hereby certify that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 of Amrecorp Realty Fund II (the “Company”) filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2007

/s/ Robert J. Werra

Robert J. Werra

Acting Principal Executive Officer and Chief
Financial Officer