

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2004

Commission file number 0-17711

GATEWAY TAX CREDIT FUND, LTD.

(Exact name of Registrant as specified in its charter)

Florida

59-2852555

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

880 Carillon Parkway, St. Petersburg, Florida

33716

(Address of principal executive offices)

(Zip Code)

Registrant's Telephone Number, Including Area Code (727) 567-4830

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class
Units of Limited Partnership Interest

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 X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

<u>Title of Class</u>	<u>Number of Record Holders as of March 31, 2004</u>
Limited Partnership Interest	2,043
General Partner Interest	2

DOCUMENTS INCORPORATED BY REFERENCE
Part III and IV - Registration Form S-11 and
all Amendments and Supplements thereto.
File No. 33-18142

PART I

Item 1. Business

Gateway Tax Credit Fund, Ltd. ("Gateway") is a Florida limited partnership. The general partners are Raymond James Tax Credit Funds, Inc., the Managing General Partner, and Raymond James Partners, Inc. both of which are sponsors of Gateway Tax Credit Fund, Ltd. and wholly-owned subsidiaries of Raymond James Financial, Inc. Gateway was formed October 27, 1987 and commenced operations as of June 30, 1988 with the first admission of Limited Partners.

Gateway is engaged in only one industry segment, to acquire limited partnership interests in unaffiliated limited partnerships ("Project Partnerships"), each of which owns and operates one or more apartment complexes eligible for Low-Income Housing Tax Credits under Section 42 of the Internal Revenue Code ("Tax Credits"), received over a ten year period. Subject to certain limitations, Tax Credits may be used by Gateway's investors to reduce their income tax liability generated from other income sources. Gateway will terminate on December 31, 2040 or sooner, in accordance with the terms of its Limited Partnership Agreement. Gateway closed its initial offering of Limited Partnership Interests on March 1, 1990 after receiving capital contributions of \$1,000 from the General Partners and \$25,566,000 from Limited Partners.

Operating profits and losses, cash distributions from operations and Tax Credits are allocated 99% to the Limited Partners and 1% to the General Partners. Profit or loss and cash distributions from sales of interests in Project Partnerships will be allocated as described in the Limited Partnership Agreement.

Gateway has invested in 82 Project Partnerships, acquiring a 99% interest in these properties by becoming the sole limited partner in the Project Partnerships that own the properties. In October, 1996 Value Partners, Inc., an affiliate of Raymond James Tax Credit Funds, Inc., became the sole general partner of one of the Project Partnerships, Village Apartments of Sparta, Limited Partnership ("Sparta"). In October, 1997, Value Partners became the sole general partner of Village Apartments of Divernon ("Divernon") See Management's Discussion and Analysis of Financial Condition and Results of Operations for additional details.

The primary sources of funds for the year ended March 31, 2004 were from the maturity of Treasury Notes for \$514,000, interest income of \$5,497 earned on cash and cash equivalents, and \$774,633 in distributions received from Project Partnerships. As of March 31, 2004 Gateway had \$1,092,672 of Cash and Cash Equivalents and \$139,045 in investments in securities with annual an annual maturity of \$142,000 due in 2005, which will be used to meet future annual operating needs of Gateway.

All Project Partnerships are government subsidized. Most have mortgage loans from the Farmers Home Administration (now called USDA Rural Development) ("USDA RD") under Section 515 of the Housing Act of 1949. These mortgage loans are made at low interest rates for multi-family housing in rural and suburban areas, with the requirement that the interest savings be passed on to low income tenants in the form of lower rents. A significant portion of the Project Partnerships also receive rental assistance from USDA RD to subsidize certain qualifying tenants.

The General Partners do not believe the Project Partnerships are subject to the risks generally associated with conventionally financed nonsubsidized apartment properties. Risks related to the operations of Gateway are described in detail on pages 21 through 33 of the Prospectus, as supplemented, under the caption "Risk Factors" which is incorporated herein by reference.

The investment objectives of Gateway are to:

- 1) Provide tax benefits to Limited Partners in the form of Tax Credits during the period in which each Project is eligible to claim tax credits;
- 2) Preserve and protect the capital contributions of Investors;
- 3) Participate in any capital appreciation in the value of the Projects; and
- 4) Provide passive losses to individual investors to offset passive income from other passive activities, and provide passive losses to corporate investors to offset business income.

The investment objectives and policies of Gateway are described in detail on pages 33 through 38 of the Prospectus, as supplemented, under the caption "Investment Objectives and Policies" which is incorporated herein by reference.

Gateway's goal was to invest in a diversified portfolio of Project Partnerships located in rural and suburban locations with a high demand for low-income housing. As of March 31, 2004 the capital contributions raised from Limited Partner investors were successfully invested in Project Partnerships which met the investment criteria. Management anticipates that competition for tenants will only be with other low income housing projects, and not with conventionally financed housing. With significant number of rural American households living below the poverty level in substandard housing, management believes there will be a continuing demand for affordable low income housing for the foreseeable future.

Exit Strategy

The IRS compliance period for low-income housing tax credit properties is generally 15 years from occupancy following construction or rehabilitation completion. Now these very first programs are completing their compliance period.

With that in mind, the Partnership is continuing to review the Partnership's holdings, with special emphasis on the more mature properties such as any that have satisfied the IRS compliance requirements. The Partnership's review will consider many factors including extended use requirements on the property (such as those due to mortgage restrictions or state compliance agreements), the condition of the property, and the tax consequences to the investors from the sale of the property.

Upon identifying those properties with the highest potential for a successful sale, refinancing or syndication, the Partnership expects to proceed with efforts to liquidate those properties. The Partnership's objective is to maximize the investor's return wherever possible and ultimately, to wind down those funds that no longer provide tax benefits to investors. As of March 31, 2004, two project partnerships, Clayfed Apartments and Westside Apartments have been sold.

Gateway has no direct employees. The General Partners have full and exclusive discretion in management and control of Gateway.

Item 2. Properties

Gateway owns interest in properties through 99% limited partnership interests in 80 Project Partnerships. There are no investments in individual Project Partnerships which are material to Gateway taken as a whole with the largest single net investment comprising 20.0% of Gateway's total assets. The following table provides certain summary information regarding the Projects in which Gateway had an interest, excluding Sparta and Divernon, as of December 31, 2003:

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNITS	DATE ACQUIRED	PROPERTY COST	OCCUP.
-----	-----	-----	-----	-----	-----
Laynecrest	Medway, OH	48	6/88	1,862,433	96%
Martindale	Union, OH	30	6/88	1,194,871	100%
La Villa Elena	Bernalillo, NM	54	8/88	2,094,190	96%
Rio Abajo	Truth/Conseques, NM	42	9/88	1,824,392	83%
Fortville II	Fortville, IN	24	11/88	810,389	96%
Summitville	Summitville, IN	24	11/88	879,994	83%
Suncrest	Yanceyville, NC	40	12/88	2,151,340	95%
Brandywine III	Millsboro, DE	32	12/88	1,319,398	100%
Concord IV	Perryville, MD	32	12/88	1,421,726	94%
Dunbarton Oaks III	Georgetown, DE	32	12/88	1,396,502	97%
Federal Manor	Federalburg, MD	32	12/88	1,478,722	100%
Laurel Apts	Laurel, DE	32	12/88	1,395,462	78%
Mulberry Hill IV	Easton, MD	16	12/88	743,255	100%
Madison	Madison, OH	40	12/88	1,478,675	100%
Hannah's Mill	Thomaston, GA	50	12/88	1,812,786	98%
Longleaf Apts.	Cairo, GA	36	12/88	1,192,946	100%
Sylacauga Garden	Sylacauga, AL	45	12/88	1,621,553	93%
Monroe Family	Monroe, GA	48	12/88	1,788,673	96%
Casa Linda	Silver City, NM	41	3/89	1,766,526	98%
Rivermeade	Yorktown, VA	80	3/89	3,046,646	92%
Laurel Woods	Ashland, VA	40	3/89	1,549,636	95%
Keysville	Keysville, VA	24	3/89	914,521	88%
Crosstown	Kalamazoo, MI	201	4/89	6,256,843	96%
Riverside Apts.	Demopolis, AL	40	5/89	1,482,309	95%
Brookshire Apts.	McDonough, GA	46	6/89	1,777,326	98%
Sandridge Apts.	Fernandina Beach, FL	46	6/89	1,682,738	98%
Limestone Estates	Limestone, ME	25	6/89	1,420,783	88%
Eagle's Bay	Beaufort, NC	40	6/89	1,963,249	100%
Teton View	Rigby, ID	40	6/89	1,846,528	100%

Albany	Albany, KY			937,557	83%
Burkesville	Burkesville, KY	24	7/89	919,438	88%
Scotts Hill	Scotts Hill, TN	24	7/89	510,427	92%
Sage	Gallup, NM	12	7/89	1,998,767	91%
Claremont	Cascade, ID	44	7/89	614,158	94%
Middleport	Middleport, NY	16	8/89	1,167,852	96%
Oakwood Apts.	Columbus, NE	25	9/89	1,029,546	58%
Morgantown	Morgantown, IN	24	9/89	959,783	96%
Ashburn Housing	Ashburn, GA	24	9/89	1,300,760	100%
Cuthbert Elderly	Cuthbert, GA	41	9/89	1,028,295	97%
Sandhill Forest	Melrose, FL	32	9/89	573,562	94%
Oakwood Grove	Crescent City, FL	16	9/89	1,238,885	90%
Hastings Manor	Hastings, FL	36	9/89	863,203	96%
Lakewood Apts.	Norfolk, NE	24	9/89	3,196,962	94%
Robinhood Apts.	Springfield, TN	72	9/89	1,831,965	100%
Skyview Terrace	Springfield, TN	48	9/89	1,545,003	98%
Mabank 1988	Mabank, TX	48	9/89	1,402,843	99%
Buena Vista	Buena Vista, GA	42	9/89	814,227	100%
Woodcroft	Elizabethtown, NC	25	9/89	1,497,433	94%
Spring Creek	Quitman, GA	32	9/89	607,608	88%
Spring Creek	Cherokee, AL	18	10/89	1,007,828	100%
Milton Elderly	Milton, FL	24	11/89	1,344,167	100%
Winder Apartments	Winder, GA	43	11/89	1,762,725	100%
Hunters Ridge	Killen, AL	48	11/89	1,420,816	95%
Stone Arbor	Madison, NC	40	12/89	1,874,064	95%
Greeneville	Greeneville, TN	40	12/89	1,560,298	98%
Centralia II	Centralia, IL	40	12/89	976,228	92%
Poteau IV	Poteau, OK	24	12/89	716,016	91%
Barling	Barling, AR	32	12/89	1,152,864	79%
Booneville	Booneville, AR	48	12/89	1,682,587	100%
Augusta	Augusta, KS	50	12/89	2,381,719	88%
Meadows	Farmville, VA	66	12/89	1,588,193	93%
Kenly Housing	Kenly, NC	40	12/89	1,711,475	96%
Fairview South	Athens, TX	48	2/90	1,364,541	89%
River Road Apts.	Waggaman, LA	44	2/90	1,519,306	100%
Middlefield	Middlefield, OH	43	2/90	1,350,227	100%
Floresville	Floresville, TX	36	3/90	1,312,062	100%
Mathis Retirement	Mathis, TX	40	3/90	1,084,390	97%
Sabinal Housing	Sabinal, TX	36	3/90	780,115	92%
Kingsland Housing	Kingsland, TX	24	3/90	1,160,610	100%
Crestwood Villa II	Crestline, OH	34	3/90	1,373,883	92%
Poteau Prop. III	Poteau, OK	36	3/90	583,005	100%
Decatur Properties	Decatur, AR	19	4/90	969,816	96%
Broken Bow Prop II	Broken Bow, OK	24	4/90	1,957,868	93%
Turtle Creek II	Grove, OK	46	4/90	1,558,446	98%
Pleasant Valley	Grangeville, ID	42	4/90	1,480,991	84%
Hartwell Elderly	Hartwell, GA	32	4/90	821,329	100%
Pulaski Village	Pulaski, VA	24	4/90	1,848,539	100%
Southwood Apts.	Jacksonville, TX	44	7/90	1,236,142	100%
		40	7/90		
		-----		-----	
		3,014		113,792,936	
		=====		=====	

The average effective rental per unit is \$3,972 per year (\$331 per month).

The average effective occupancy rate at December 31, 2003 was 94.6%

A summary of the cost of the properties, excluding Sparta and Divernon, as of December 31, 2003, 2002 and 2001 is as follows:

	12/31/03	12/31/02	12/31/01
	-----	-----	-----
Land	\$ 4,908,530	\$ 5,128,526	\$ 5,097,275
Land Improvements	1,567,738	1,623,847	2,058,477
Buildings	102,260,340	104,364,570	103,292,188
Furniture and Fixtures	5,056,328	4,446,351	4,625,311
	-----	-----	-----
Properties, at Cost	113,792,936	115,563,294	115,073,251
Less: Accum. Depreciation	51,556,360	49,390,571	45,903,523
	-----	-----	-----
Properties, Net	\$ 62,236,576	\$ 66,172,723	\$ 69,169,728
	=====	=====	=====

Item 3. Legal Proceedings

Gateway is not a party to any material pending legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

As of March 31, 2004, no matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for the Registrant's Securities and Related Security Holder Matters

(a) Gateway's Limited Partnership interests are not publicly traded.

There is no market for the Registrant's Limited Partnership interests and it is unlikely that any will develop. No transfers of Limited Partnership Units are permitted without the prior written consent of the Managing General Partner. There have been several transfers over the last two years, with most being from individuals to their trusts or heirs. The Managing General Partner is not aware of the price at which the units are transferred. The conditions under which investors may transfer units is found under ARTICLE XII - "Transfer of a Limited Partnership Interest" on pages A-24 and A-25 of the Limited Partnership Agreement within the Prospectus, which is incorporated herein by reference.

There have been no distributions paid to the Limited Partner investors over the last five years.

(b) Approximate Number of Equity Security Holders:

<u>Title of Class</u>	<u>Number of Record Holders as of March 31, 2004</u>
Limited Partnership Interest	2,043
General Partner Interest	2

Item 6. Selected Financial Data

	<u>2004</u> ----	<u>2003</u> ----	<u>2002</u> ----	<u>2001</u> ----	<u>2000</u> ----
Total Revenues	\$ 301,972	\$ 356,006	\$ 412,005	\$ 423,174	\$ 441,466
Net Loss	(55,577)	(771,799)	(577,139)	(787,797)	(877,394)
Equity in Income (Losses) of Project Partnerships	541,590	(253,927)	(202,920)	(366,069)	(490,163)
Total Assets	3,360,108	4,334,857	4,946,571	5,375,816	5,980,554
Investments In Project Partnerships	1,355,760	1,531,068	1,832,496	2,077,180	2,500,833
Per Limited Partnership Unit: (A)					
Tax Credits	2.01	2.49	4.94	38.70	104.10
Portfolio					
Income	10.59	10.80	21.61	18.60	17.20
Passive Loss	(139.25)	(146.37)	(141.03)	(149.30)	(135.00)
Net Loss	(3.08)	(29.89)	(22.35)	(30.51)	(33.98)

(A) The Tax information is as of December 31, the year end of the Partnership for tax purposes.

The above selected financial data should be read in conjunction with the financial statements and related notes appearing elsewhere in this report. This statement is not covered by the auditor's opinion included elsewhere in this report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations -

As disclosed on the Statements of Operations, revenues and expenses were comparable for the years ended March 31, 2004, 2003 and 2002, except as described below.

Two of the Project Partnerships, Clayfed Apartments, Ltd. and Westside Apartments, Ltd., sold their property in July 2003 and subsequently liquidated. The sale of the properties resulted in a gain allocated to Gateway of \$1,792,746. Gateway received sale proceeds totaling \$674,675, of which \$672,175 was distributed to the Limited Partners at \$26.29 per limited partnership unit. Gateway had previously suspended losses reported by these Project Partnerships in conformity with its policy to not record losses which reduce the investment below zero. As a result of the net increase in the investment from the sale transactions, Gateway was able to recognize \$916,962 in previously suspended losses. Gateway's ending investment in these Project Partnerships, after adjusting for the gain on sale, cash proceeds received and suspended losses, was \$106,473, which is reported as a loss on disposition in the Combined Statements of Operations.

For the year ended March 31, 2004 the Project Partnerships reported a loss of \$227,721, while a loss of \$253,927 was reported for the year ended March 31, 2003. The decrease in the reported loss was due to a decrease in rental expenses at the Project Partnership level; however it is customary in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. As a result, management expects Gateway will continue to report its equity in Project Partnerships as a loss for tax and financial reporting purposes.

In total, the Partnership reported a loss of \$55,577 for the year ended March 31, 2004. However, after adjusting for amortization, accreted interest income, the changes in operating assets and liabilities, and the equity in losses of Project Partnerships, net cash used in operating activities was \$520,920. The net cash provided by investing activities was \$948,248 consisting of \$774,633 in cash distributions received from Project Partnerships and \$173,988 from matured Zero Coupons.

On October 1, 1997 Value Partners, Inc. became the sole general partner of Village Apartments of Divernon Limited Partnership ("Divernon"), replacing the former general partners. Value Partners, Inc. is an affiliate of Raymond James Tax Credit Funds, Inc., the managing general partner of Gateway. Divernon is a 12 unit property located in Divernon, Illinois in which Gateway invested as the sole limited partner on October 1, 1989. The property's average occupancy rate for the year declined from 100% in 2003 to 67% in 2004. Gateway loaned Divernon \$10,000, \$12,000, and \$6,000 to cover the operating deficits for 2001, 2002, and 2003 respectively. As of June 30, 1999, an updated workout plan with the USDA RD was implemented. Management is using rent incentives, vigorous advertising, and tight controls over repairs and maintenance to improve occupancy and cash flows in 2004.

Liquidity and Capital Resources -

Gateway's capital resources are used to pay General and Administrative operating costs including personnel, supplies, data processing, travel, and legal and accounting associated with the administration and monitoring of Gateway and the Project Partnerships. The capital resources are also used to pay the Asset Management Fee due the Managing General Partner, but only to the extent that Gateway's remaining resources are sufficient to fund Gateway's ongoing needs. (Payment of any Asset Management Fee due but unpaid at the time Gateway sells its interests in the Project Partnerships is subordinated to the investors return of their original capital contribution.)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

The sources of funds to pay the operating costs are short term investments and interest earned thereon, the maturity of U.S. Treasury Security Strips ("Zero Coupon Treasuries") which were purchased with funds set aside for this purpose, and cash distributed to Gateway from the operations of the Project Partnerships. At March 31, 2004, Gateway had \$1,092,672 of short-term investments (Cash and Cash Equivalents). It also had \$139,045 in Zero Coupon Treasuries with maturities providing \$142,000 in fiscal year 2005. Management believes these sources of funds are sufficient to meet Gateway's current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

For the year ending March 31, 2004, Gateway received \$774,633 in cash distributions from the Project Partnerships and it received \$514,000 from the matured Zero Coupon Treasuries. The General and Administrative operating costs were \$175,415 and the Asset Management Fee actually paid was \$649,500.

Exit Strategy

The IRS compliance period for low-income housing tax credit properties is generally 15 years from occupancy following construction or rehabilitation completion. Now these very first programs are completing their compliance period.

With that in mind, the Partnership is continuing to review the Partnership's holdings, with special emphasis on the more mature properties such as any that have satisfied the IRS compliance requirements. The Partnership's review will consider many factors including extended use requirements on the property (such as those due to mortgage restrictions or state compliance agreements), the condition of the property, and the tax consequences to the investors from the sale of the property.

Upon identifying those properties with the highest potential for a successful sale, refinancing or syndication, the Partnership expects to proceed with efforts to liquidate those properties. The Partnership's objective is to maximize the investors' return wherever possible and, ultimately, to wind down those funds that no longer provide tax benefits to investors. As of March 31, 2004, two project partnerships, Clayfed Apartments and Westside Apartments have been sold.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
Gateway Tax Credit Fund, Ltd.

We have audited the accompanying combined balance sheets of Gateway Tax Credit Fund, Ltd. (a Florida Limited Partnership) as of March 31, 2004 and 2003 and the related combined statements of operations, partners' equity (deficit), and cash flows for each of the three years in the period ended March 31, 2004. These combined financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these combined financial statements based on our audits. We did not audit the financial statements of certain Project Partnerships for which \$14,924,730 and \$14,655,624 of cumulative equity in losses are included in these financial statements as of March 31, 2004 and 2003, respectively and for which net losses of \$130,296, \$256,716 and \$202,918 are included in the accompanying financial statements for each of the three years in the period ended March 31, 2004. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such underlying partnerships, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the standards of the Public Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Gateway Tax Credit Fund, Ltd. as of March 31, 2004 and 2003 and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed under Item 14(a)(2) in the index are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audits and the reports of other auditors, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Spence, Marston, Bunch, Morris & Co.
SPENCE, MARSTON, BUNCH, MORRIS & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Clearwater, Florida
June 22, 2004

PART I - Financial Information
Item 1. Financial Statements

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
COMBINED BALANCE SHEETS

	2004 ----	2003 ----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,092,672	\$ 1,343,666
Accounts Receivable	8,409	44,384
Investments in Securities	139,045	487,057
Prepaid Insurance	93	265
Tenant Security Deposits	6,316	0
	-----	-----
Total Current Assets	1,246,535	1,875,372
Investments in Securities	0	128,991
Investments in Project Partnerships, Net	1,355,760	1,531,068
Replacement Reserves	16,524	0
Rental Property at Cost, Net	741,289	799,426
	-----	-----
Total Assets	\$ 3,360,108 =====	\$ 4,334,857 =====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 493,330	\$ 375,934
Accounts Payable	3,757	2,209
Accrued Real Estate Taxes	12,001	14,851
Tenant Security Deposits	5,800	6,800
	-----	-----
Total Current Liabilities	514,888	399,794
	-----	-----
Long Term Liabilities:		
Payable to General Partners	2,839,013	3,194,525
Mortgage Notes Payable	1,225,073	1,231,220
	-----	-----
Total Long Term Liabilities	4,064,086	4,425,745
	-----	-----
Minority Interest in Local Limited Partnerships	(68,518)	(68,086)
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (25,566 units outstanding at March 31, 2004 and 2003	(945,406)	(194,381)
General Partners	(204,942)	(228,215)
	-----	-----
Total Partners' Equity (deficit)	(1,150,348)	(422,596)
	-----	-----
Total Liabilities and Partners' Equity	\$ 3,360,108 =====	\$ 4,334,857 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
COMBINED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

	2004	2003	2002
	----	----	----
Revenues:			
Rental	\$ 125,628	\$ 124,401	\$ 120,669
Interest Subsidy	57,189	57,597	58,231
Interest Income	42,825	85,376	131,048
Other	76,330	88,632	102,057
	-----	-----	-----
Total Revenues	301,972	356,006	412,005
	-----	-----	-----
Expenses:			
Asset Management Fee-General Partner	479,165	491,021	493,205
General and Administrative:			
General Partner	117,118	68,891	45,714
Other	58,297	62,379	50,693
Rental Operating Expenses	87,014	97,493	84,415
Interest	85,824	86,228	86,604
Depreciation	58,510	59,129	56,805
Amortization	13,643	13,643	14,616
	-----	-----	-----
Total Expenses	899,571	878,784	832,052
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships	(597,599)	(522,778)	(420,047)
	-----	-----	-----
Equity in Income (Losses) of Project Partnerships:			
Current Year Equity in Losses of Project Partnerships	(227,721)	(253,927)	(202,920)
Suspended Losses Utilized in Current Year	(916,962)	0	0
Gain on Sale of Partnership Assets	1,792,746	0	0
Loss on Disposition of Partnership Interests	(106,473)	0	0
	-----	-----	-----
Total Equity in Income (Losses) of Project Partnerships	541,590	(253,927)	(202,920)
	-----	-----	-----
Minority Interest in Loss of Combined Project Partnerships	432	4,906	45,828
	-----	-----	-----
Net Loss	\$ (55,577)	\$ (771,799)	\$ (577,139)
	=====	=====	=====
Allocation of Net Loss:			
Limited Partners	\$ (78,850)	\$ (764,081)	\$ (571,368)
General Partners	23,273	(7,718)	(5,771)
	-----	-----	-----
	\$ (55,577)	\$ (771,799)	\$ (577,139)
	=====	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (3.08)	\$ (29.89)	\$ (22.35)
	=====	=====	=====
Number of Limited Partnership Units Outstanding	25,566	25,566	25,566
	=====	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
COMBINED STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2004, 2003 AND 2002:

	Limited Partners Equity (Deficit) -----	General Partners Equity (Deficit) -----	Total -----
Balance at March 31, 2001	\$ 1,141,068	\$ (214,726)	\$ 926,342
Net Loss	(571,368)	(5,771)	(577,139)
	-----	-----	-----
Balance at March 31, 2002	569,700	(220,497)	349,203
Net Loss	(764,081)	(7,718)	(771,799)
	-----	-----	-----
Balance at March 31, 2003	(194,381)	(228,215)	(422,596)
Net Loss	(78,850)	23,273	(55,577)
Distributions	(672,175)	0	(672,175)
	-----	-----	-----
Balance at March 31, 2004	\$ (945,406) =====	\$ (204,942) =====	\$(1,150,348) =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2004, 2003 AND 2002:

	2004	2003	2002
	----	----	----
Cash Flows from Operating Activities:			
Net Loss	\$ (55,577)	\$(771,799)	\$(577,139)
Adjustments to Reconcile Net Loss to			
Net Cash Used in Operating Activities:			
Amortization	13,643	13,643	14,616
Depreciation	58,510	59,129	56,805
Distributions Included in Other Income	(71,378)	(83,682)	(95,741)
Accreted Interest Income on			
Investments in Securities	(36,997)	(74,700)	(107,051)
Equity in Losses of Project			
Partnerships	1,144,683	253,927	202,920
Gain on the Sale of Partnership Assets	(1,792,746)	0	0
Loss on the Disposition of Partnership			
Assets	106,473	0	0
Minority Interest in Losses of			
Combined Project Partnerships	(432)	(4,906)	(45,828)
Interest Income from Redemption of			
Securities	340,012	306,027	276,104
Changes in Operating Assets and			
Liabilities:			
(Increase) Decrease in Accounts			
Receivable	35,975	(11,103)	(8,160)
(Increase) Decrease in Prepaid			
Insurance	172	363	(407)
Increase (Decrease) in Accounts Payable	1,548	(6,006)	1,273
(Increase) Decrease in Replacement			
Reserves	(16,524)	0	14,480
Increase (Decrease) in Security			
Deposits	(7,316)	400	4,400
(Decrease) Increase in Accrued Real			
Estate Taxes	(2,850)	586	(5,766)
Increase (Decrease) in Payable to			
General Partners	(238,116)	187,754	213,983
Net Cash Used in Operating Activities	(520,920)	(130,367)	(55,511)
Cash Flows from Investing Activities:			
Distributions Received from Project			
Partnerships	774,633	117,539	122,886
Redemption of Investment in Securities	173,988	179,974	186,896
Purchase of Equipment	(373)	(2,316)	(14,432)
Net Cash Provided by Investing			
Activities	948,248	295,197	295,350
Cash Flows from Financing Activities:			
Principal Payment on Debt	(6,147)	(5,742)	(5,367)
Distributions to Investors	(672,175)	0	0
Net Cash Used In Financing Activities	(678,322)	(5,742)	(5,367)
(Decrease) Increase in Cash and Cash			
Equivalents	(250,994)	159,088	234,472
Cash and Cash Equivalents at Beginning of			
Year	1,343,666	1,184,578	950,106
Cash and Cash Equivalents at End of Year	\$1,092,672	\$1,343,666	\$1,184,578
Supplemental Cash Flow Information:	\$ 28,635	\$ 28,631	\$ 28,373
Interest Paid	=====	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
NOTES TO COMBINED FINANCIAL STATEMENTS
March 31, 2004, 2003 AND 2002

NOTE 1 - ORGANIZATION:

Gateway Tax Credit Fund, Ltd. ("Gateway"), a Florida Limited Partnership, was formed October 27, 1987 under the laws of Florida. Operations commenced on June 30, 1988. Gateway invests, as a limited partner, in other limited partnerships ("Project Partnerships"), each of which owns and operates apartment complexes expected to qualify for Low-Income Housing Tax Credits. Gateway will terminate on December 31, 2040 or sooner, in accordance with the terms of the Limited Partnership Agreement. Gateway closed the offering on March 1, 1990 after receiving Limited and General Partner capital contributions of \$25,566,000 and \$1,000, respectively. The fiscal year of Gateway for reporting purposes ends on March 31.

Raymond James Partners, Inc. and Raymond James Tax Credit Funds, Inc., wholly-owned subsidiaries of Raymond James Financial, Inc., are the General Partner and Managing General Partner, respectively. The Managing General Partner manages and controls the business of Gateway.

Operating profits and losses, cash distributions from operations and tax credits are allocated 99% to the Limited Partners and 1% to the General Partners. Profit or loss and cash distributions from sales of properties will be allocated as formulated in the Limited Partnership Agreement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Combined Statements

The accompanying statements include, on a combined basis, the accounts of Gateway, Village Apartments of Sparta Limited Partnership and Village Apartments of Divernon Limited Partnership ("Combined Entities"), two Project Partnerships in which Gateway has invested. As of October 1, 1996 and October 1, 1997, respectively, an affiliate of Gateway's Managing General Partner, Value Partners, Inc. became the general partner of the Combined Entities. Since the general partner of the Combined Entities is now an affiliate of Gateway, these combined financial statements include the financial activity of the Combined Entities for all years presented. All significant intercompany balances and transactions have been eliminated. Gateway has elected to report the results of operations of the Combined Entities on a 3-month lag basis, consistent with the presentation of financial information of all Project Partnerships.

Basis of Accounting

Gateway utilizes the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when obligations are incurred.

Gateway accounts for its investments as the sole limited partner in Project Partnerships ("Investments in Project Partnerships"), with the exception of the Combined Entities, using the equity method of accounting, because management believes that Gateway does not have a majority control of the major operating and financial policies of the Project Partnerships in which it invests, and reports the equity in losses of the Project Partnerships on a 3-month lag in the Statements of Operations. Under the equity method, the Investments in Project Partnerships initially include:

- 1) Gateway's capital contribution,
- 2) Acquisition fees paid to the General Partner for services rendered in selecting properties for acquisition, and
- 3) Acquisition expenses including legal fees, travel and other miscellaneous costs relating to acquiring properties.

Quarterly the Investments in Project Partnerships are increased or decreased as follows:

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

- 1) Increased for equity in income or decreased for equity in losses of the Project Partnerships,
- 2) Decreased for cash distributions received from the Project Partnerships and,
- 3) Decreased for the amortization of the acquisition fees and expenses.

Amortization is calculated on a straight-line basis over 35 years, as this is the average estimated useful life of the underlying assets. The net amortization is as amortization expense on the Statements of Operations.

Pursuant to the limited partnership agreements for the Project Partnerships, cash losses generated by the Project Partnerships are allocated to the general partners of those partnerships. In subsequent years, cash profits, if any, are first allocated to the general partners to the extent of the allocation of prior years' cash losses.

Since Gateway invests as a limited partner, and therefore is not obligated to fund losses or make additional capital contributions, it does not recognize losses from individual Project Partnerships to the extent that these losses would reduce the investment in those Project Partnerships below zero. The suspended losses will be used to offset future income from the individual Project Partnerships.

Gateway reviews its investments in Project Partnerships to determine if there has been any permanent impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the sum of the expected future cash flows is less than the carrying amount of the investment, Gateway recognizes an impairment loss. No impairment loss has been recognized in the accompanying financial statements.

Gateway, as a limited partner in the Project Partnerships, is subject to risks inherent in the ownership of property which are beyond its control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance and continued eligibility of tax credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment. However, Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships.

Cash and Cash Equivalents

It is Gateway's policy to include short-term investments with an original maturity of three months or less in Cash and Cash Equivalents. Short-term investments are comprised of money market mutual funds.

Accounts Receivable

Accounts receivable consist primarily of amounts due from project partnerships for voluntary operating advances made by the Partnership and tenant receivables. The operating advances are non-interest bearing and are due on demand. Tenant receivables are recorded when billed. An allowance for doubtful accounts has not been considered necessary based on historical loss experience. An account is considered past due when payment has not been rendered within thirty days of its due date. Uncollectible receivables are charged to rental revenue when project management has determined that collection efforts will not be successful.

Capitalization and Depreciation

Land, buildings and improvements are recorded at cost and provides for depreciation using the modified accelerated cost recovery system method for financial and tax reporting purposes in amounts adequate to amortize costs over the lives of the applicable assets as follows:

Buildings	27-1/2 years
Equipment	7 years

Expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are

reflected in the statement of income.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Rental Income

Rental income, principally from short-term leases on the Combined Entity's apartment units, is recognized as income under the accrual method as the rents become due.

Concentrations of Credit Risk

Financial instruments which potentially subject Gateway to concentrations of credit risk consist of cash investments in a money market mutual fund that is a wholly-owned subsidiary of Raymond James Financial, Inc.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

Investment in Securities

Effective April 1, 1995, Gateway adopted Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115"). Under FAS 115, Gateway is required to categorize its debt securities as held-to-maturity, available-for-sale or trading securities, dependent upon Gateway's intent in holding the securities. Gateway's intent is to hold all of its debt securities (U. S. Treasury Security Strips) until maturity and to use these reserves to fund Gateway's ongoing operations. Interest income is recognized ratably on the U.S. Treasury Strips using the effective yield to maturity.

Income Taxes

No provision for income taxes has been made in these financial statements, as income taxes are a liability of the partners rather than of Gateway.

Reclassifications

For comparability, the 2002 and 2003 figures have been reclassified, where appropriate to conform with the financial statement presentation used in 2004.

Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 provides accounting guidance for financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. The Partnership adopted SFAS No. 144 effective January 1, 2002. The adoption did not have an effect on the financial position or results of operations of the Partnership.

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN46 must be applied for the first interim or annual period ending after December 15, 2004. The Partnership does not feel that there will be any effects on its results of operations as a result of the adoption of FIN46. Prior to the effective date of FIN 46, Gateway is required to disclose its maximum exposure to economic and financial statement losses as a result of its involvement with variable interest entities. Gateway's exposure to these losses is limited to its investment in the Project

Partnerships which is \$1,355,760 at March 31, 2004.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2004 Balance Sheet includes Investments in Securities equal to \$139,045. These investments consist of U. S. Treasury Security Strips at their cost, plus accreted interest income of \$79,905. The estimated market value at March 31, 2004 of these debt securities is \$141,485 resulting in a gross unrealized gain of \$2,440.

As of March 31, 2004, the cost and accreted interest by contractual maturities is as follows:

Due within 1 year	\$ 139,045
After 1 year through 5 years	0

Total Amount Carried on Balance Sheet	\$139,045
	=====

NOTE 4 - RELATED PARTY TRANSACTIONS:

The Payable to General Partners primarily represents the asset management fees owed to the General Partners at the end of the period. It is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. Within the next 12 months, the Managing General Partner does not intend to demand payment on the portion of Asset Management Fees payable classified as long-term on the Balance Sheet.

The General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses as follows:

Asset Management Fee - The Managing General Partner is entitled to an annual asset management fee equal to 0.45% of the aggregate cost of Gateway's interest in the projects owned by the Project Partnerships. The asset management fee will be paid only after all other expenses of Gateway have been paid. These fees are included in the Statements of Operations. Totals incurred for the years ended March 31, 2004, 2003 and 2002 were \$479,165, \$491,021 and \$493,205 respectively.

General and Administrative Expenses - Raymond James Tax Credit Funds, Inc., the Managing General Partner, is reimbursed for general and administrative expenses of Gateway on an accountable basis. These expenses are included in the Statements of Operations. Totals incurred for the years ended March 31, 2004, 2003 and 2002 were \$117,118, \$68,891 and \$45,714 respectively.

NOTE 5 - RENTAL PROPERTY

A summary of the rental property is as follows at December 31, 2003:

	Cost	Accumulated Depreciation	Book Value
	-----	-----	-----
Land	\$ 47,000	\$ 0	\$ 47,000
Buildings	1,439,355	745,066	694,289
Furniture and Appliances	51,141	51,141	0
	-----	-----	-----
Net Book Value	\$1,537,496	\$796,207	\$741,289
	=====	=====	=====

A summary of the rental property is as follows at December 31, 2002:

	Cost	Accumulated Depreciation	Book Value
	-----	-----	-----
Land	\$ 47,000	\$ 0	\$ 47,000
Buildings	1,439,355	687,895	751,460
Furniture and Appliances	50,768	49,802	966
	-----	-----	-----
Net Book Value	\$1,537,123	\$737,697	\$799,426
	=====	=====	=====

NOTE 6 - MORTGAGE NOTE PAYABLE

The mortgage note payable for Sparta is the balance due on the note dated December 1, 1998 in the amount of \$827,361. The loan is at a stated interest rate of 6.125% for a period of 50 years, the loan also contains a provision for an interest subsidy which reduces the effective interest rate to 2.325%. At December 31, 2003 the development was in compliance with the terms of the subsidy agreement and is receiving the reduced rate which makes the monthly payments \$1,925.75.

Expected maturities of the mortgage note payable are as follows:

Year Ending	Amount
-----	-----
12/31/04	4,738
12/31/05	4,846
12/31/06	4,955
12/31/07	5,067
12/31/08	5,182
Thereafter	798,037

Total	\$ 822,825
	=====

The mortgage note payable for Divernon is the balance due on the note dated October 2, 1989 in the amount of \$416,113. The loan is at a stated interest rate of 8.75% for a period of 50 years, the loan also contains a provision for an interest subsidy which reduces the effective interest rate to 2.35%. At December 31, 2003 the development was in compliance with the terms of the subsidy agreement and is receiving the reduced rate which makes the monthly payment \$883.

Expected maturities of the mortgage note payable are as follows:

Year Ending	Amount
-----	-----
12/31/04	1,706
12/31/05	1,744
12/31/06	1,783
12/31/07	1,823
12/31/08	1,864
Thereafter	393,328

Total	\$ 402,248
	=====

NOTE 7 - TAXABLE INCOME (LOSS):

The following is a reconciliation between Net Loss as described in the financial statements and the Partnership loss for tax purposes:

	2004 ----	2003 ----	2002 ----
Net Loss per Financial Statements	\$ (55,577)	\$ (771,799)	\$ (577,139)
Equity in Losses of Project Partnerships for tax purposes in excess of losses for financial statement purposes	(225,098)	(528,030)	(440,421)
Losses suspended for financial reporting purposes	(1,355,991)	(2,297,126)	(2,149,829)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	17,867	32,752	(14,303)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	186,980	180,883	178,607
Amortization Expense	12,913	12,987	17,074
Miscellaneous Income	(83,682)	(95,741)	(67,493)
Capital Loss	(11,581)	0	0
Partnership loss for tax purposes as of December 31	\$(1,514,169) =====	\$(3,466,074) =====	\$(3,053,504) =====
	December 31, 2003 -----	December 31, 2002 -----	December 31, 2001 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 51,799 =====	\$ 63,771 =====	\$ 126,423 =====

The Partnership's Investment in Project Partnerships is approximately \$23,177,288 higher for financial reporting purposes than for tax return purposes because (i) annual tax depreciation expense is higher than financial depreciation, (ii) certain expenses are not deductible for tax return purposes and (iii) losses are suspended for financial purposes but not for tax return purposes.

The differences in the assets and liabilities of the Fund for financial reporting purposes and tax reporting purposes for the year ended March 31, 2004 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	\$ 1,355,760	\$(21,821,528)	\$23,177,288
Other Assets	\$ 2,004,348	\$ 1,842,467	\$ 161,881
Liabilities	\$ 4,578,974	\$ 112,816	\$ 4,466,158

NOTE 8 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of March 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 80 Project Partnerships, excluding the Combined Entities, which own and operate government assisted multi-family housing complexes.

Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships, excluding the Combined Entities at March 31, 2004:

	MARCH 31, 2004	MARCH 31, 2003
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 17,706,016	\$ 17,981,016
Cumulative equity in losses of Project Partnerships (1)	(17,235,981)	(17,421,476)
Cumulative distributions received from Project Partnerships	(750,684)	(722,105)
	-----	-----
Investment in Project Partnerships before Adjustments	(280,649)	(162,565)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,207,576	2,254,715
Accumulated amortization of acquisition fees and expenses	(571,167)	(561,082)
	-----	-----
Investments in Project Partnerships	\$ 1,355,760	\$ 1,531,068
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$16,608,534 for the year ended March 31, 2004 and cumulative suspended losses of \$15,252,541 for the year ended March 31, 2003 are not included.

The Partnership's equity as reflected by the Project Partnerships of \$17,517,241 differs from the Partnership's Investments in Project Partnerships before acquisition fees and expenses and amortization of \$(280,649) primarily because of suspended losses on the Partnership's books.

NOTE 8 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships, excluding the Combined Entity beginning on the date of combination, on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of December 31 of each year:

	2003	2002	2001
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 9,728,256	\$ 9,348,657	\$ 10,050,606
Investment properties, net	62,236,576	66,172,723	69,169,728
Other assets	85,771	635,392	77,652
	-----	-----	-----
Total assets	\$72,050,603	\$76,156,772	\$79,297,986
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 3,611,898	\$ 3,391,498	\$ 3,208,272
Long-term debt	87,934,669	90,589,956	91,074,428
	-----	-----	-----
Total liabilities	91,546,567	93,981,454	94,282,700
	-----	-----	-----
Partners' equity			
Gateway	(17,517,241)	(16,014,227)	(13,287,923)
General Partners	(1,978,723)	(1,810,455)	(1,696,791)
	-----	-----	-----
Total Partners' equity	(19,495,964)	(17,824,682)	(14,984,714)
	-----	-----	-----
Total liabilities and partners' equity	\$72,050,603	\$76,156,772	\$79,297,986
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$16,693,028	\$16,709,384	\$16,980,398
Gain on Sale of Partnership Assets	1,792,746	0	0
	-----	-----	-----
Total Revenue	18,485,774	16,709,384	16,980,398
	-----	-----	-----
Expenses:			
Operating expenses	9,016,473	9,171,835	8,740,917
Interest expense	6,764,573	6,606,103	7,095,362
Depreciation and amortization	3,436,960	3,508,268	3,520,633
	-----	-----	-----
Total expenses	19,218,006	19,286,206	19,356,912
	-----	-----	-----
Net loss	\$(732,232)	\$(2,576,822)	\$(2,376,514)
	=====	=====	=====
Other partners' share of net loss	\$ (24,304)	\$ (25,769)	\$ (23,765)
	=====	=====	=====
Partnerships' share of net loss	\$(707,928)	\$(2,551,053)	\$(2,352,749)
Suspended losses	2,272,953	2,297,126	2,149,829
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ 1,565,025	\$ (253,927)	\$ (202,920)
	=====	=====	=====

Two of the Project Partnerships, Clayfed Apartments, Ltd. and Westside Apartments, Ltd., sold their property in July 2003 and subsequently liquidated. The sale of the properties resulted in a gain allocated to Gateway of \$1,792,746. Gateway received sale proceeds totaling \$674,675, of which \$672,675 was distributed to the Limited Partners at \$26.29 per limited partnership unit. Gateway had previously suspended losses reported by these Project Partnerships in conformity with its policy to not record losses which reduce the investment below zero. As a result of the net increase in the investment from the sale transactions, Gateway was able to recognize \$916,962 in previously suspended losses. Gateway's ending investment in these Project Partnerships, after adjusting for the gain on sale, cash proceeds received and suspended losses, was \$106,473, which is reported as a loss on disposition in the Combined Statements of Operations.

NOTE 8 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2003, the largest Project Partnership constituted 7.4% and 7.7% of the combined total assets and combined total revenues. As of December 31, 2002, the largest Project Partnership constituted 7.2% and 7.4% of the combined total assets and combined total revenues.

NOTE 9 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

<u>Year 2004</u>	<u>Quarter 1</u> <u>6/30/2003</u>	<u>Quarter 2</u> <u>9/30/2003</u>	<u>Quarter 3</u> <u>12/31/2003</u>	<u>Quarter 4</u> <u>3/31/2004</u>
Total Revenues	\$ 89,820	\$ 55,817	\$ 53,243	\$ 103,092
Net Income (Loss)	\$(161,360)	\$ (51,041)	\$ 619,608	\$(462,784)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (6.25)	\$ (1.98)	\$ 23.99	\$ (18.84)

<u>Year 2003</u>	<u>Quarter 1</u> <u>6/30/2002</u>	<u>Quarter 2</u> <u>9/30/2002</u>	<u>Quarter 3</u> <u>12/31/2002</u>	<u>Quarter 4</u> <u>3/31/2003</u>
Total Revenues	\$ 98,586	\$ 59,651	\$ 62,912	\$ 134,857
Net Income (Loss)	\$(171,285)	\$(192,001)	\$(170,835)	\$(237,678)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (6.63)	\$ (7.43)	\$ (6.62)	\$ (9.21)

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INDEPENDENT AUDITORS' REPORT

To the Partners
Crosstown Seniors Limited Dividend
Housing Association Limited Partnership
(a Michigan Limited Partnership)
Kalamazoo, Michigan

We have audited the accompanying balance sheets of Crosstown Seniors Limited Dividend Housing Association Limited Partnership, (a Michigan Limited Partnership) as of December 31, 2003 and 2002, and the related statements of operations, statements of partners' equity (deficit), and statements of cash flows for the years then ended. These financial statements are the responsibility of the Partnership's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Crosstown Seniors Limited Dividend Housing Association Limited Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Schoonover Boyer & Associates

Columbus, Ohio
January 22, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Madison, Ltd.
DBA Madison Woods Apartments
Ravenna, Ohio

Rural Housing Service
Servicing Office
Wooster, Ohio

We have audited the accompanying balance sheets of Madison, Ltd. (a limited partnership), DBA Madison Woods Apartments, Case No. 41-043-341595553, as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989. 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, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Madison, Ltd., DBA Madison Woods Apartments, Case No. 41-043-341595553, at December 31, 2003 and 2002, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program", issued in December 1989, we have also issued a report dated January 20, 2004, on our consideration of Madison, Ltd.'s internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 20, 2004

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FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

To the Partners of
Middlefield, Limited
DBA Lakeview Village II
Ravenna, Ohio

Rural Housing Service
Servicing Office
Wooster, Ohio

We have audited the accompanying balance sheets of Middlefield, Limited (a limited partnership), DBA Lakeview Village II, Case No. 41-028-341618469, as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Middlefield, Limited, DBA Lakeview Village II, Case No. 41-028-341618469, at December 31, 2003 and 2002, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 20, 2004, on our consideration of Middlefield, Limited's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 20, 2004

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FAX: 229-245-1669

INDEPENDENT AUDITORS' REPORT

To the Partners
Ashburn Housing Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Ashburn Housing, Ltd. (a Limited Partnership), Federal ID No.: 58-1830643, as of December 31, 2003 and 2002, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Ashburn Housing, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 22, 2004 on our consideration of Ashburn Housing, Ltd.'s internal control structure and a report dated January 22, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 22, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Buena Vista Housing, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Buena Vista Housing, Ltd. (a Limited Partnership), Federal ID No.: 58-1830642, as of December 31, 2003 and 2002, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Buena Vista Housing, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 22, 2004 on our consideration of Buena Vista Housing Ltd.'s internal control structure and a report dated January 22, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 22, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Cuthbert Elderly Housing, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Cuthbert Elderly Housing, Ltd. (a limited partnership), Federal ID No.: 58-1830589, as of December 31, 2003 and 2002, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Cuthbert Elderly Housing, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 22, 2004 on our consideration of Cuthbert Elderly Housing Ltd.'s internal control structure and a report dated January 22, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 22, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Hannah's Mill Apartments, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Hannah's Mill Apartments, Ltd. (a limited partnership), Federal ID No.: 58-1786726, as of December 31, 2003 and 2002, and the related statements of income, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Hannah's Mill Apartments, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 22, 2004 on our consideration of Hannah's Mill Apartments, Ltd.'s internal control structure and a report dated January 22, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 22, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Milton Elderly Housing, LTD, LLLP

We have audited the accompanying balance sheets of MILTON ELDERLY HOUSING, LTD, LLLP (USDA Rural Development Case No.09-057-592911560), a limited partnership, as of December 31, 2003 and 2002, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Audit Program of the Rural Development Services Office of the U.S. Department of Agriculture, formerly known as the Farmers Home Administration. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 MILTON ELDERLY HOUSING, LTD, LLLP as of December 31, 2003 and 2002, and the results of its operations, its changes in partner's equity (deficit), and its cash flows for the years 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 February 16, 2004, on our consideration of MILTON ELDERLY HOUSING, LTD LLLP's internal control and our report dated February 16, 2004, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 14 through 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Habif, Arogeti & Wynne, LLP

Atlanta, Georgia
February 16, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Winder Apartments, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Winder Apartments, Ltd. (A Limited Partnership), Federal ID No.: 58-1786693, as of December 31, 2003 and 2002, and the related statements of income, partners' (deficit) and cash flows for the years then ended. The financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Winder Apartments, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 22, 2004 on our consideration of the Winder Apartments, Ltd.'s internal control structure and a report dated January 22, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 22, 2004

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FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Sylacauga Garden Apartments III, Ltd.
Sylacauga, Alabama

We have audited the accompanying balance sheets of Sylacauga Garden Apartments III, Ltd., a limited partnership, RHS Project No.: 01-061-630953708 as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted the audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audits provide 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 Sylacauga Garden Apartments III, Ltd., RHS Project No.:01-061-630953708 as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the year ended December 31, 2003 and 2002, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 20, 2004 on our consideration of Sylacauga Garden Apartments III, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants

Gadsden, Alabama
February 20, 2004

Bond & Tousignant, LLC
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INDEPENDENT AUDITORS' REPORT

To the Partners
RIVER ROAD APARTMENTS ALPIC

We have audited the accompanying balance sheet of RIVER ROAD APARTMENTS, ALPIC, RHS Project No. 22-026-721099603 as of December 31, 2003, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of RIVER ROAD APARTMENTS, ALPIC as of December 31, 2002, were audited by other auditors whose report dated March 11, 2003 expressed an unqualified opinion on those statements.

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 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 RIVER ROAD APARTMENTS, ALPIC as of December 31, 2003, and the results of its operations, changes in partners' equity (deficit) and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 15 through 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2004, on our consideration of RIVER ROAD APARTMENTS, ALPIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

/s/ Bond & Tousignant, LLC
Certified Public Accountants

Monroe, Louisiana
February 29, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
RIVER ROAD APARTMENTS LIMITED

We have audited the accompanying balance sheets of RIVER ROAD APARTMENTS LIMITED, RHS PROJECT NO. 22-026-721099603 as of December 31, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 RIVER ROAD APARTMENTS LIMITED as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 16 through 26, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2003 on our consideration of RIVER ROAD APARTMENTS LIMITED's internal control and a report dated March 11, 2003 on its compliance with laws and regulations applicable to the financial statements.

/s/ Paillet, Meunier and LeBlanc, L.L.P.
Certified Public Accountants

Metairie, Louisiana
March 11, 2003

Baird, Kurtz, & Dobson, LLP
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FAX: 479-452-5542

INDEPENDENT AUDITORS' REPORT

Partners

Garden Walk of Augusta

A Division of Augusta Properties (A Limited Partnership)

Fort Smith, Arkansas

We have audited the accompanying balance sheets of Garden Walk of Augusta, A Division of Augusta Properties (A Limited Partnership) as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Garden Walk of Augusta, A Division of Augusta Properties (A Limited Partnership) as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 6, 2004

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INDEPENDENT AUDITORS' REPORT

Partners

Booneville Properties, A Limited Partnership
D/B/A Garden Walk of Booneville
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Booneville Properties, A Limited Partnership, D/B/A Garden Walk of Booneville as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Booneville Properties, A Limited Partnership, D/B/A Garden Walk of Booneville as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 5, 2003

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INDEPENDENT AUDITORS' REPORT

Partners
Barling Properties, A Limited Partnership
D/B/A Barling Place
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Barling Properties, A Limited Partnership, D/B/A Barling Place as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Barling Properties, A Limited Partnership, D/B/A Barling Place of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 6, 2004

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INDEPENDENT AUDITORS' REPORT

Partners

Poteau Properties IV, A Limited Partnership
D/B/A Garden Walk on Michelle Lane
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Poteau Properties IV, A Limited Partnership, D/B/A Darden Walk on Michelle Lane as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Poteau Properties IV, A Limited Partnership, D/B/A Garden Walk on Michelle Lane as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 6, 2004

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5000 Rogers Avenue, Suite 700
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FAX: 479-452-5542

INDEPENDENT AUDITORS' REPORT

Partners

Turtle Creek Properties Phase II, A Limited Partnership
D/B/A Garden Walk of Grove III
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Turtle Creek Properties Phase II, A Limited Partnership, D/B/A Garden Walk of Grove III as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Turtle Creek Properties Phase II, A Limited Partnership, D/B/A Garden Walk of Grove III as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 6, 2004

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INDEPENDENT AUDITORS' REPORT

Partners

Broken Bow Properties II, A Limited Partnership
D/B/A Garden Walk of Broken Bow II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Broken Bow Properties II, A Limited Partnership, D/B/A Garden Walk of Broken Bow II as of December 31, 2003 and 2002, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Broken Bow Properties II, A Limited Partnership, D/B/A Garden Walk of Broken Bow II as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 February 6, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Baird, Kurtz, & Dobson, LLP

February 6, 2004

Brandt Solomon & Anderson LLP
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Sioux Falls, SD 57104-4825
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FAX: 605-336-0983

INDEPENDENT AUDITORS' REPORT

Partners of Lakewood Apartments Limited Partnership
Project Number 32-060-470717466

We have audited the accompanying balance sheets of Lakewood Apartments Limited Partnership, Project Number 32-060-470717466 as of December 31, 2003 and 2002 and the related statements of operations, changes in partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with U.S. generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Rural Development *Audit Program*. Those standards require that we plan and perform the audits 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 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 Lakewood Apartments Limited Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 9, 2004, on our consideration of internal controls over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Brandt Solomon & Anderson LLP
Certified Public Accountants & Consultants

Sioux Falls, South Dakota
February 9, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Monroe Family, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Monroe Family, Ltd. (a Georgia limited partnership), Federal ID No. 58-1768407, as of December 31, 2003 and 2002, and the related statements of operations, changes in partners' (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Monroe Family, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 26, 2004 on our consideration of the Monroe Family, Ltd.'s internal control structure and a report dated January 26, 2004 on its compliance with laws and regulations. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

/s/ Henderson & Godbee, P.C.
Certified Public Accountants

January 26, 2004

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FAX: 301-656-3056

INDEPENDENT AUDITORS' REPORT

To the Partners
Brandywine III, LLLP
Bethesda, Maryland

We have audited the accompanying balance sheets of Brandywine III, LLLP as of December 31, 2003 and 2002, and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Brandywine III, LLLP as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 reports dated March 5, 2004 on our consideration of Brandywine III, LLLP's internal control and on its compliance with laws and regulations.

/s/ Regardie, Brooks & Lewis
Certified Public Accountants

March 5, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Concord IV, LLLP
Bethesda, Maryland

We have audited the accompanying balance sheets of Concord IV, LLLP as of December 31, 2003 and 2002, and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Concord IV, LLLP as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 reports dated March 5, 2004 on our consideration of Concord IV, LLLP's internal control and on its compliance with laws and regulations.

/s/ Regardie, Brooks & Lewis
Certified Public Accountants

March 5, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Dunbarton Oaks III, LLLP
Bethesda, Maryland

We have audited the accompanying balance sheets of Dunbarton Oaks III, LLLP as of December 31, 2003 and 2002, and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Dunbarton Oaks III, LLLP as of December 31, 2003 and 2002, and the results of its operations, and cash flows for the years 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 reports dated March 5, 2004 on our consideration of Dunbarton Oaks III, LLLP's internal control and on its compliance with laws and regulations.

/s/ Regardie, Brooks & Lewis
Certified Public Accountants

March 5, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners,
Federal Manor III, LLLP
Bethesda, Maryland

We have audited the accompanying balance sheets of Federal Manor III, LLLP as of December 31, 2003 and 2002, and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Federal Manor III, LLLP as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 reports dated March 5, 2004, on our consideration of Federal Manor III, LLLP's internal control and on its compliance with laws and regulations.

/s/ Regardie, Brooks & Lewis
Certified Public Accountants

March 5, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Laurel Apartments, LLLP
Bethesda, Maryland

We have audited the accompanying balance sheets of Laurel Apartments, LLLP as of December 31, 2003 and 2002, and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Laurel Apartments, LLLP as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 reports dated March 5, 2004 on our consideration of Laurel Apartments, LLLP's internal control and on its compliance with laws and regulations.

/s/ Regardie, Brooks & Lewis
Certified Public Accountants

March 5, 2004

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FAX: 716-862-0007

INDEPENDENT AUDITORS' REPORT

To the Partners of
Middleport Limited Partnership
Case No. 37-032-161338763
and
RD Rural Housing Director
29 Liberty Street, Suite 2
Batavia, New York 14020-3294

We have audited the accompanying balance sheets of Middleport Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficiency, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Middleport Limited Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 26, 2004, on our consideration of Middleport Limited Partnership's internal control structure and a report dated January 26, 2004, on its compliance with laws and regulations.

/s/ Grana & Teibel, CPAs, P.C.
Certified Public Accountants

January 26, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Kenly Housing Associates
Charlotte, North Carolina

We have audited the accompanying balance sheets of Kenly Housing Associates (a North Carolina limited partnership) as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Kenly Housing Associates as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2004, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Bernard Robinson & Company, L.L.P.
Certified Public Accountants

January 31, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Oakwood Grove, Ltd.

We have audited the accompanying basic financial statements of Oakwood Grove, Ltd., as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These basic financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Oakwood Grove, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 January 23, 2004 on our consideration of Oakwood Grove, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information presented on pages 10 to 15 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information on pages 10 to 14 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information on page 15, which is of a non-accounting nature, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on it.

/s/ Duggan, Joiner & Company
Certified Public Accountants

January 23, 2004

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FAX: 352-867-1370

INDEPENDENT AUDITORS' REPORT

To the Partners
Sandhill Forest, Ltd.

We have audited the accompanying basic financial statements of Sandhill Forest, Ltd., as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These basic financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Sandhill Forest, Ltd. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 January 23, 2004 on our consideration of Sandhill Forest, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information presented on pages 10 to 17 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information on pages 10 to 16 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information on page 17, which is of a non-accounting nature, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on it.

/s/ Duggan, Joiner & Company
Certified Public Accountants

January 23, 2004

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FAX: 317-815-6140

INDEPENDENT AUDITORS' REPORT

To the Partners of
Laurel Woods Associates
(A Virginia Limited Partnership)

We have audited the accompanying balance sheets of Laurel Woods Associates as of December 31, 2003 and 2002, and the related statements of operations, changes in Partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 reports dated February 12, 2004 on our consideration of the Partnership's internal control and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dauby O'Connor & Zaleski LLC
Certified Public Accountants

February 12, 2004
Carmel, Indiana

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INDEPENDENT AUDITORS' REPORT

To the Partners of
The Meadows Associates
(A Virginia Limited Partnership)

We have audited the accompanying balance sheets of The Meadows Associates as of December 31, 2003 and 2002, and the related statements of profit and (loss), changes in Partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated February 12, 2004, on our consideration of the Partnership's internal control and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dauby O'Connor & Zaleski LLC
Certified Public Accountants

February 12, 2004
Carmel, Indiana

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Rivermeade Associates
(A Virginia Limited Partnership)

We have audited the accompanying balance sheets of Rivermeade Associates as of December 31, 2003 and 2002, and the related statements of profit and (loss), changes in Partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Partnership as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 reports dated February 12, 2004, on our consideration of the Partnership's internal control and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit as conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Dauby O'Connor & Zaleski LLC
Certified Public Accountants

February 12, 2004
Carmel, Indiana

Thomas C. Cunningham, CPA PC
23 Moore Street
Bristol, VA 24201
PHONE: 276-669-5531
FAX: 276-669-5576

INDEPENDENT AUDITORS' REPORT

To the Partners
Greeneville Limited Partnership

I have audited the accompanying balance sheets of Greeneville Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. Those standards require that I plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greeneville Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Greeneville Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC

February 15, 2004

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Bristol, VA 24201
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FAX: 276-669-5576

INDEPENDENT AUDITORS' REPORT

To the Partners
Pulaski Village Limited Partnership

I have audited the accompanying balance sheets of Pulaski Village Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. Those standards require that I plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pulaski Village Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of Pulaski Village Limited Partnership's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations.

/s/ Thomas C. Cunningham, CPA PC

February 15, 2004

Lou Ann Montey and Associates, P.C.
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Austin, TX 78759
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FAX: 512-338-5395

INDEPENDENT AUDITORS' REPORT

To the Partners
Kingsland Housing, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Kingsland Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the related statements of income (loss), partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards as issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide 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 Kingsland Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 a report dated January 24, 2004, on our consideration of the internal control structure of Kingsland Housing, Ltd. - (A Texas Limited Partnership) and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Lou Ann Montey and Associates, P.C.
Certified Public Accountants

Austin, Texas
January 24, 2004

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Austin, Texas 78759
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INDEPENDENT AUDITORS' REPORT

To The Partners
Sabinal Housing, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Sabinal Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002 and the related statement of income (loss), partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 as issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Sabinal Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 26, 2004, on our consideration of the internal control structure of Sabinal Housing, Ltd. - (A Texas Limited Partnership) and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Lou Ann Montey and Associates, P.C.
Certified Public Accountants

Austin, Texas
January 26, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Mathis Retirement Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Mathis Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the related statements of income (loss), partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 as issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Mathis Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years 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 a report dated January 27, 2004, on our consideration of the internal control structure of Mathis Retirement, Ltd. - (A Texas Limited Partnership) and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Lou Ann Montey and Associates, P.C.
Certified Public Accountants

Austin, Texas
January 27, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Floresville Housing, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Floresville Housing Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the related statements of income (loss), partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 as issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration Audit Program, as 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide 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 Floresville Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years 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 a report dated January 28, 2004, on our consideration of the internal control structure of Floresville Housing, Ltd. - (A Texas Limited Partnership) and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Lou Ann Montey and Associates, P.C.
Certified Public Accountants

Austin, Texas
January 28, 2004

Simmons and Clubb
410 S. Orchard, Suite 156
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INDEPENDENT AUDITORS' REPORT

To the Partners
Teton View Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Teton View Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the USDA, Rural Housing Service Audit Program issued in December 1989. 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 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 Teton View Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, and its cash flows for the years 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 a report dated February 10, 2004, on our consideration of Teton View Limited Partnership's internal control and on its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The partnership's tax returns have been filed allowing the partners to claim a benefit of a low income housing tax credit. Because the compliance and qualification standards of the low income tax housing tax credit are not related to the interest credit agreement and loan agreement, and because the low income housing tax credit related to income taxes which are the responsibility of each individual partner, the scope of our audit was not designed or intended to audit the partnership's compliance with the low income housing tax credit laws. Accordingly, our audit cannot be relied upon to give assurance with regard to the partnerships compliance with any of the low income housing tax credit laws.

/s/ Roger Clubb
Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 10, 2004

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FAX: 208-343-2381

INDEPENDENT AUDITORS' REPORT

To the Partners
Pleasant Valley Housing Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Pleasant Valley Housing Limited Partnership as of December 31, 2003 and 2002, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the USDA, Rural Housing Service Audit Program issued in December 1989. 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 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 Pleasant Valley Housing Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, and its cash flows for the years 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 a report dated February 6, 2004, on our consideration of Pleasant Valley Housing Limited Partnership's internal control and on its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The partnership's tax returns have been filed allowing the partners to claim a benefit of a low income housing tax credit. Because the compliance and qualification standards of the low income tax housing tax credit are not related to the interest credit agreement and loan agreement, and because the low income housing tax credit related to income taxes which are the responsibility of each individual partner, the scope of our audit was not designed or intended to audit the partnerships compliance with the low income housing tax credit laws. Accordingly, our audit cannot be relied upon to give assurance with regard to the partnerships compliance with any of the low income housing tax credit laws.

/s/ Roger Clubb
Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 6, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Eagles Bay Limited Partnership
Raleigh, North Carolina

We have audited the accompanying balance sheets of Eagles Bay Limited Partnership as of December 31, 2003 and 2002 and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Eagles Bay Limited Partnership as of December 31, 2003 and 2002 and the results of its operations and its cash flows for the years 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 January 16, 2004 on our consideration of Eagles Bay Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dixon Odom PLLC
Certified Public Accountants and Consultants

January 16, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Stone Arbor Limited Partnership
Raleigh, North Carolina

We have audited the accompanying balance sheets of Stone Arbor Limited Partnership as of December 31, 2003 and 2002 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Stone Arbor Limited Partnership as of December 31, 2003 and 2002 and the results of its operations and its cash flows for the years 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 February 1, 2004 on our consideration of Stone Arbor Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dixon Odom PLLC
Certified Public Accountants and Consultants

February 1, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Suncrest Limited Partnership
Raleigh, North Carolina

We have audited the accompanying balance sheet of Suncrest Limited Partnership as of December 31, 2003 and 2002 and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 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 Suncrest Limited Partnership as of December 31, 2003 and 2002 and the results of its operations and its cash flows for the years 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 January 28, 2004 on our consideration of Suncrest Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dixon Odom PLLC
Certified Public Accountants and Consultants

January 28, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners
Woodcroft Limited Partnership
Raleigh, North Carolina

We have audited the accompanying balance sheets of Woodcroft Limited Partnership as of December 31, 2003 and 2002 and the related statements of operations, partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Woodcroft Limited Partnership as of December 31, 2003 and 2002 and the results of its operations and its cash flows for the years 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 February 3, 2004 on our consideration of Woodcroft Limited Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Dixon Odom PLLC
Certified Public Accountants and Consultants

February 3, 2004

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INDEPENDENT AUDITORS' REPORT

The Partners
Mabank 1988 Limited
Temple, Texas

We have audited the balance sheet of Mabank 1988 Limited (a Texas limited partnership) as of December 31, 2003 and 2002 and the related statements of partners' deficit, operations, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Mabank 1988 Limited as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2004 on our consideration of Mabank 1988 Limited's internal control and on its compliance with laws and regulations applicable to the financial statements. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information on pages 10 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information presented in the Year End Report/Analysis (Form FmHA 1930-8); Statement of Actual Budget and Income (Form 1930-7) for the year ended December 31, 2003, and the other Supplemental Data Required by the USDA Rural Development, are presented for purposes of complying with the requirements of USDA Rural Development and are not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Brockway, Gersbach, McKinnon & Niemeier, P.C.
Certified Public Accountants

January 29, 2004

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FAX: 256-533-7193

INDEPENDENT AUDITORS' REPORT

To the Partners
Hunter's Ridge, Ltd.

We have audited the accompanying balance sheet of Hunter's Ridge, Ltd., (a limited partnership) as of December 31, 2003 and 2002, and the related Statement of Operations, Partners' Capital and Cash Flows for the years then ended. These financial statements are the responsibility of the partnership's 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 *Government Auditing Standards* for financial and compliance audits 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 significant estimates made by management. 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 Hunter's Ridge, Ltd., as of December 31, 2003 and 2002, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated February 20, 2004 on our consideration of Hunter's Ridge, Ltd's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

/s/ Mercer & Associates, P.C.
Certified Public Accountants

February 20, 2004

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INDEPENDENT AUDITORS' REPORT

To the Partners,
Casa Linda Limited Partnership

We have audited the accompanying balance sheets of Casa Linda Limited Partnership as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Casa Linda Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' equity, and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards issued by the Comptroller General of the United States, we have also issued a report dated January 22, 2004, on our consideration of Casa Linda Limited Partnership's internal control structure and a report dated February 8, 2003, on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on Pages 17 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Kenneth C. Boothe & Company, P.C.
Certified Public Accountants

January 22, 2004
Big Spring, Texas

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1001 East Farm Road 700
Big Spring, TX 79720
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INDEPENDENT AUDITORS' REPORT

To the Partners,
La Villa Elena Limited Partnership

We have audited the accompanying balance sheets of La Villa Elena Limited Partnership as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 La Villa Elena Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' equity, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards issued by the Comptroller General of the United States, we have also issued a report dated January 22, 2004, on our consideration of La Villa Elena Limited Partnership's internal control structure and a report January 22, 2004, on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on Pages 17 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Kenneth C. Boothe & Company, P.C.
Certified Public Accountants

January 22, 2004
Big Spring, Texas

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INDEPENDENT AUDITORS' REPORT

To the Partners,
Rio Abajo Apartments Limited Partnership

We have audited the accompanying balance sheets of Rio Abajo Apartments Limited Partnership as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Rio Abajo Apartments Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' equity, and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards issued by the Comptroller General of the United States, we have also issued a report dated January 22, 2004, on our consideration of Rio Abajo Apartments Limited Partnership's internal control structure and a report dated January 22, 2004, on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on Pages 18 through 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Kenneth C. Boothe & Company, P.C.
Certified Public Accountants

January 22, 2004
Big Spring, Texas

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INDEPENDENT AUDITORS' REPORT

To the Partners
Sage Limited Partnership

We have audited the accompanying balance sheets of Sage Limited Partnership as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and *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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Sage Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partner's equity, and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards issued by the Comptroller General of the United States, we have also issued a report dated January 22, 2004, on our consideration of Sage Limited Partnership's internal control structure and a report dated January 22, 2004, on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information shown on Pages 17 through 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Partnership. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Kenneth C. Boothe & Company, P.C.
Certified Public Accountants

January 22, 2004
Big Spring, Texas

Mesarvey, Russell & Co., LLC
3170 Presidential Drive
Fairborn, OH 45324
PHONE: 937-320-1717
FAX: 937-320-1818

INDEPENDENT AUDITORS' REPORT

To the Partners
Laynecrest Associates Limited Partnership

Rural Development
Hillsboro, Ohio

We have audited the accompanying balance sheets of Laynecrest Associates Limited Partnership, RD case No. 41-012-311173675, as of December 31, 2003 and 2002, and the related statements of income, changes in partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program". 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Laynecrest Associates Limited Partnership as of December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit and cash flows for the years 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 a report dated January 28, 2004 on our consideration of Laynecrest Associates Limited Partnership's internal controls and a report dated January 28, 2004 on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Mesarvey, Russell & Co., LLC
A Limited Liability Company
Independent Certified Public Accountants

January 28, 2004

Lead Auditor: Philip J. Lechner, Jr., CPA
Firm ID # 31-1613938

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INDEPENDENT AUDITORS' REPORT

To the Partners
Martindale Limited Partnership

Rural Development
Hillsboro, Ohio

We have audited the accompanying balance sheets of Martindale Limited Partnership RD Case No. 41-057-311153919, as of December 31, 2003 and 2002, and the related statements of income, changes in partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program". 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Martindale Limited Partnership at December 31, 2003 and 2002, and the results of its operations, changes in partners' deficit and cash flows for the years 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 a report dated January 27, 2004 on our consideration of Martindale Limited Partnership's internal controls and a report dated January 27, 2004 on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Mesarvey, Russell & Co., LLC
A Limited Liability Company
Independent Certified Public Accountants

January 27, 2004

Lead Auditor: Philip J. Lechner, Jr., CPA
Firm ID # 31-1613938

Johnson, Hickey & Murchison, P.C.
651 East Fourth Street, Suite 200
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FAX: 423-267-5945

INDEPENDENT AUDITORS' REPORT

To the General Partners of Robinhood Apartments, Ltd.:

We have audited the accompanying balance sheets of Robinhood Apartments, Ltd. as of December 31, 2003 and 2002, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Robinhood Apartments, Ltd. as of December 31, 2003 and 2002, and the results of its operations, changes in partners' equity and its cash flows for the years 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 January 20, 2004, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Johnson, Hickey & Murchison, P.C.
Certified Public Accountants

January 20, 2004

Johnson, Hickey & Murchison, P.C.
651 East Fourth Street, Suite 200
Chattanooga, TN 37403-1924
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FAX: 423-267-5945

INDEPENDENT AUDITORS' REPORT

To the General Partners of Skyview Terrace, Ltd.:

We have audited the accompanying balance sheets of Skyview Terrace, Ltd. as of December 31, 2003 and 2002, and the related statements of operations, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Skyview Terrace, Ltd. as of December 31, 2003 and 2002, and the results of its operations, changes in partners' equity and its cash flows for the years 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 January 23, 2004, on our consideration of the partnership's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Johnson, Hickey & Murchison, P.C.
Certified Public Accountants

January 23, 2004

Donald W. Causey & Associates, P.C.
516 Walnut Street - P.O. Box 775
Gadsden, AL 35902
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FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Riverside Apartments, Ltd.
Demopolis, Alabama

We have audited the accompanying balance sheets of Riverside Apartments, Ltd., a limited partnership, RHS Project No.: 01-046-630978050 as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted the audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration Audit Program. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audits provide 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 Riverside Apartments, Ltd., RHS Project No.: 01-046-630978050 as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11 through 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information presented in the Multiple Family Housing Borrower Balance Sheet (Form FmHA 1930-8) Parts I and II for the year ended December 31, 2003 and 2002, is presented for purposes of complying with the requirements of the Rural Housing Services and is also not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2004 on our consideration of Riverside Apartments, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama

February 23, 2004

The Jeffries Group
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FAX: 404-231-4338

INDEPENDENT AUDITORS' REPORT

To the Partners
Brookshire Apartments, L.P.

We have audited the accompanying balance sheet of Brookshire Apartments, L.P., RHS Project No. 10-075-581765612), as of December 31, 2003 and the related statements of income, changes in partners' capital, and cash flows for the year then ended. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Brookshire Apartments, L.P. as of December 31, 2002 were audited by other auditors, whose report dated January 24, 2003 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 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 Brookshire Apartments, L.P., RHS Project No.: 10-075-581765612, as of December 31, 2003, and the results in its operations, changes in partners' capital, and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2004, on our consideration of Brookshire Apartments, L.P. internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information on pages 13 through 16 and 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ The Jeffries Group
Certified Public Accountants
Atlanta, Georgia

Federal Employer
Identification Number
58-1976245

January 29, 2004

Lead Auditor: Lewis M. Jeffries, CPA

Vance Flouhouse & Garges, PLLC
2115 Rexford Road, Suite 100
Charlotte, NC 28211
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INDEPENDENT AUDITORS' REPORT

To the Partners
Brookshire Apartments, L.P.

We have audited the accompanying balance sheets of Brookshire Apartments, L.P., RHS Project No. 10-075-581765612), as of December 31, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Brookshire Apartments, L.P., RHS Project No.: 10-075-581765612, as of December 31, 2002 and 2001, and the results of its operations, changes in partners' equity (deficit) and cash flows for the years 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 a report dated January 24, 2003 on our consideration of Brookshire Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 18 to 21 and 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/Vance Flouhouse & Garges, PLLC
Certified Public Accountants
Charlotte, North Carolina

Federal Employer
Identification Number
26-0005391

January 24, 2003

Lead Auditor: Ronald George Vance
704-369-7200

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INDEPENDENT AUDITORS' REPORT

To the Partners
Sandridge Apartments, Ltd.

We have audited the accompanying balance sheet of Sandridge Apartments, Ltd., RHS Project No. 058-17569-49, as of December 31, 2003, and the related statements of income, changes in partners' capital, and cash flows for the year then ended. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Sandridge Apartments, Ltd. as of December 31, 2002 were audited by other auditors, whose report dated January 24, 2003 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 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 Sandridge Apartments, Ltd., RHS Project No.: 058-17569-49, as of December 31, 2003, and the results of its operations, changes in partners' capital, and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2004 on our consideration of Sandridge Apartments', Ltd. internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information on pages 13 through 16 and 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ The Jeffries Group
Certified Public Accountants
Atlanta, Georgia

Federal Employer
Identification Number
58-1976245

January 29, 2004

Lead Auditor: Lewis M. Jeffries, CPA

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FAX: 704-362-0411

INDEPENDENT AUDITORS' REPORT

To the Partners
Sandridge Apartments, Ltd.

We have audited the accompanying balance sheets of Sandridge Apartments, Ltd., RHS Project No. 058-17569-49, as of December 31, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Sandridge Apartments, Ltd., RHS Project No.: 058-17569-49, as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity (deficit) and cash flows for the years 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 a report dated January 24, 2003 on our consideration of Sandridge Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 18 to 21 and 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/Vance Flouhouse & Garges, PLLC
Certified Public Accountants
Charlotte, North Carolina

Federal Employer
Identification Number
26-0005391

January 24, 2003

Lead Auditor: Ronald George Vance
704-369-7200

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INDEPENDENT AUDITORS' REPORT

Limestone Estates
Caribou, Maine

To the Partners

We have audited the accompanying balance sheets of Limestone Estates, (a limited partnership) as of December 31, 2003 and 2002, and the related statements of operations, partners' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Limestone Estates as of December 31, 2003 and 2002, and the results of its operations, partners' deficit and its cash flows for the years 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 a report dated January 30, 2004 on our consideration of Limestone Estates' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Chester M. Kearney, CPA
Certified Public Accountants

Presque Isle, Maine
January 30, 2004

Habif, Arogeti & Wynne, LLP
5565 Glenridge Connector, Suite 200
Atlanta, GA 30342
PHONE: 404-892-9651
FAX: 404-876-3913

INDEPENDENT AUDITORS' REPORT

To the Partners
Longleaf Apartments, Ltd.

We have audited the accompanying balance sheets of LONGLEAF APARTMENTS, LTD. (Rural Development Case No. 10-065-581788240), a Georgia limited partnership, as of December 31, 2003 and 2002, and the related statements of operations, changes in partners' accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Rural Development Services Office of the U.S. Department of Agriculture, formerly known as the Farmers Home Administration, Audit Program. Those standards require that we plan and perform the audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 LONGLEAF APARTMENTS, LTD. as of December 31, 2003 and 2002, and the results of its operations, its changes in partners' accumulated deficit, and its cash flows for the years 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 January 13, 2004, on our consideration of LONGLEAF APARTMENTS, LTD.'s internal control and our report dated January 13, 2004, on its compliance with laws and regulations applicable to the financial statements. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page 12 - 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Habif, Arogeti & Wynne, LLP
Certified Public Accountants
Atlanta, Georgia

January 13, 2004

Fentress, Brown, CPAs & Associates, LLC
8001 Ravines Edge Court, Suite 112
Columbus, OH 43235-5423
PHONE: 614-825-0011
FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

To the Partners of
Crestwood Villa 2 Limited Partnership
DBA Applewood Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Crestwood Villa 2 Limited Partnership (a limited partnership), DBA Applewood Apartments, Case No. 41-017-314612174, as of December 31, 2003 and 2002, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program" issued in December 1989. Those standards require that we plan and perform our audits 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Crestwood Villa 2 Limited Partnership, DBA Applewood Apartments, Case No. 41-017-314612174, at December 31, 2003 and 2002, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 30, 2004, on our consideration of Crestwood Villa 2 Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants
Columbus, Ohio
January 30, 2004

Brenda P. McElwee, P.C.
P.O. Box 2260
Rockport, TX 78381
PHONE: 361-729-9150
FAX: 361-729-9216

INDEPENDENT AUDITORS' REPORT

To the Partners
Fairview South, Ltd.

We have audited the accompanying balance sheet of Fairview South, Ltd. (a Texas Limited Partnership) Project No: 50-007-752209166-01-3 as of December 31, 2003, and the related statements of partners' equity (deficit), operations, and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The Financial statements of Fairview South, Ltd. as of December 31, 2002 were audited by other auditors, whose report dated May 20, 2003 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 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 Fairview South, Ltd. as of December 31, 2003, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information on pages 11-12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated April 7, 2004 on our consideration of Fairview South, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and contracts. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Brenda P. McElwee, P.C.
Certified Public Accountant

April 7, 2004

Smith, Lambright & Associates, P.C.
P.O. Box 912 - 505 E. Tyler
Athens, TX 75751
PHONE: 903-675-5674
FAX: 903-675-5676

INDEPENDENT AUDITORS' REPORT

To the Owners
Fairview South, Ltd.
700 South Palestine
Athens, Texas 75751

We have audited the accompanying Balance Sheet of Fairview South, Ltd. as of December 31, 2002 and 2001, and the related Statements of Income and Expenses, Changes in Partner's Equity (Deficit), and Cash Flows for the years then ended. These financial statements are the responsibility of Fairview South, Ltd.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and "U.S. Department of Agriculture, Farmers Home Administration - Audit Program." 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 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 Fairview South, Ltd. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years 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 May 20, 2003 on our consideration of Fairview South, Ltd.'s compliance and on internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Fairview South Ltd., taken as a whole. The accompanying supplemental information 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.

/s/ Smith, Lambright & Associates, P.C.
Certified Public Accountants

May 20, 2003

Brenda P. McElwee, P.C.
P.O. Box 2260
Rockport, TX 78381
PHONE: 361-729-9150
FAX: 361-729-9216

INDEPENDENT AUDITORS' REPORT

To the Partners
Southwood Apartments, Ltd.

We have audited the accompanying balance sheet of Southwood Apartments, Ltd. (a Texas Limited Partnership) Project No: 49-037-752236420-01-6 as of December 31, 2003, and the related statements of partners' equity (deficit), operations, and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. The Financial statements of Southwood Apartments, Ltd. as of December 31, 2002 were audited by other auditors whose report dated May 30, 2003 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 Southwood Apartments, Ltd. as of December 31, 2003, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11-12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated March 31, 2004 on our consideration of Southwood Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and contracts. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

/s/ Brenda P. McElwee, P.C.
Certified Public Accountants

March 31, 2004

Smith, Lambright & Associates, P.C.
P.O. Box 912 - 505 E. Tyler
Athens, TX 75751
PHONE: 903-675-5674
FAX: 903-675-5676

INDEPENDENT AUDITORS' REPORT

To the Owners
Southwood Apartments, Ltd.
700 South Palestine
Athens, Texas 75751

We have audited the accompanying Balance Sheet of Southwood Apartments, Ltd. as of December 31, 2002 and 2001, and the related Statements of Income and Expenses, Changes in Partner's Equity (Deficit), and Cash Flows for the years then ended. These financial statements are the responsibility of Southwood Apartments, Ltd.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and "U.S. Department of Agriculture, Farmers Home Administration - Audit Program." 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 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 Southwood Apartments, Ltd. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years 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 May 30, 2003 on our consideration of Southwood Apartments, Ltd.'s compliance and on internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Southwood Apartments, Ltd., taken as a whole. The accompanying supplemental information 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.

/s/ Smith, Lambright & Associates, P.C.
Certified Public Accountants

May 30, 2003

Item 9. Changes in and disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9a. Controls and Procedures

Within 90 days prior to the filing of this report, under the supervision and with the participation of the Partnership's management, including the Partnership's chief executive and chief financial officers, an evaluation of the effectiveness of the Partnership's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities and Exchange Act of 1934) was performed. Based on this evaluation, such officers have concluded that the Partnership's disclosure controls and procedures were effective as of the date of that evaluation in alerting them in a timely manner to material information relating to the Partnership required to be included in this report and the Partnership's other reports that it files or submits under the Securities Exchange Act of 1934. There were no significant changes in the Partnership's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART III

Item 10. Directors and Executive Officers of Gateway

Gateway has no directors or executive officers. Gateway's affairs are managed and controlled by the Managing General Partner. Certain information concerning the directors and officers of the Managing General Partner are set forth below.

Raymond James Tax Credit Funds, Inc. - Managing General Partner

Raymond James Tax Credit Funds, Inc. is the Managing General Partner and is responsible for decisions pertaining to the acquisition and sale of Gateway's interests in the Project Partnerships and other matters related to the business operations of Gateway. The officers and directors of the Managing General Partner are as follows:

Ronald M. Diner, age 59, is President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc., with whom he has been employed since June 1983. Mr. Diner received an M.B.A. degree from Columbia University (1968) and a B.S. degree from Trinity College (1966). Prior to joining Raymond James & Associates, Inc., he managed the broker-dealer activities of Pittway Real Estate, Inc., a real estate development firm. He was previously a loan officer at Marine Midland Realty Credit Corp., and spent three years with Common, Dann & Co., a New York regional investment firm. He has served as a member of the Board of Directors of the Council for Rural Housing and Development, a national organization of developers, managers and syndicators of properties developed under the RECD Section 515 program, and is a member of the Board of Directors of the Florida Council for Rural Housing and Development. Mr. Diner has been a speaker and panel member at state and national seminars relating to the low-income housing credit.

J. Davenport Mosby, age 47, is a Vice President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc. which he joined in 1982. Mr. Mosby received an MBA from the Harvard Business School (1982). He graduated magna cum laude with a BA from Vanderbilt University where he was elected to Phi Beta Kappa.

Raymond James Partners, Inc. -

Raymond James Partners, Inc. has been formed to act as the general partner, with affiliated corporations, in limited partnerships sponsored by Raymond James Financial, Inc. Raymond James Partners, Inc. is a general partner for purposes of assuring that Gateway and other partnerships sponsored by affiliates have sufficient net worth to meet the minimum net worth requirements of state securities administrators.

Information regarding the officers and directors of Raymond James Partners, Inc., is included on pages 58 and 59 of the Prospectus under the section captioned "Management" (consisting of pages 56 through 59 of the Prospectus) which is incorporated herein by reference.

Item 11. Executive Compensation

Gateway has no directors or officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Neither of the General Partners, nor their directors and officers, own any units of the outstanding securities of Gateway as of March 31, 2004.

Gateway is a Limited Partnership and therefore does not have voting shares of stock. To the knowledge of Gateway, no person owns of record or beneficially, more than 5% of Gateway's outstanding units.

Item 13. Certain Relationships and Related Transactions

Gateway has no officers or directors. However, various kinds of compensation and fees are payable to the General Partners and their affiliates during the organization and operations of Gateway. Additionally, the General Partners will receive distributions from Gateway if there is cash available for distribution or residual proceeds as defined in the Partnership agreement. The amounts and kinds of compensation and fees are described on pages 13 to 15 of the Prospectus under the caption "Management Compensation", which is incorporated herein by reference. See Note 3 of Notes to Financial Statements in item 8 of this Annual Report on Form 10-K for amounts accrued or paid to the General Partners and their affiliates during the years ended March 31, 2004, 2003 and 2002.

The Payable to General Partners primarily represents the asset management fees owed to the General Partners at the end of the period. It is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. Within the next 12 months, the Managing General Partner does not intend to demand payment on the portion of Asset Management Fees payable classified as long-term on the Balance Sheet.

The General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses as follows:

Asset Management Fee - The Managing General Partner is entitled to an annual asset management fee equal to 0.45% of the aggregate cost of Gateway's interest in the projects owned by the Project Partnerships. The asset management fee will be paid only after all other expenses of Gateway have been paid. These fees are included in the Statements of Operations. Totals incurred for the years ended March 31, 2004, 2003 and 2002 were \$479,165, \$491,021, and \$493,205 respectively.

General and Administrative Expenses - Raymond James Tax Credit Funds, Inc., the Managing General Partner, is reimbursed for general and administrative expenses of Gateway on an accountable basis. These expenses are included in the Statements of Operations. Totals incurred for the years ended March 31, 2004, 2003 and 2002 were \$117,118, \$68,891, and \$45,714 respectively.

Item 14. Principal Accounting Fees & Services

The aggregate fees billed by the Partnership's principal accounting firm, Spence, Marston, Bunch, Morris and Co., for professional services rendered for the audit of the annual financial statements and review of financial statements included in the Partnerships quarterly reports on Form 10-Q for the years ended March 31, 2004 and 2003 were \$16,650 and \$16,250, respectively.

Tax - During fiscal 2004 and 2003, Spence, Marston, Bunch, Morris & Co. was engaged to prepare the Partnership's federal tax return, for which they billed \$5,000.

Other Fees - The Company's Audit Committee Charter requires that the Committee approve the engagement of the principal auditing firm prior to the rendering of any audit or non-audit services. During fiscal 2004, 100% of the audit related and other fees and 100% of the tax fees were pre-approved by the Audit Committee.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

a.(1) Financial Statements

(2) Financial Statement Schedules -

Schedule III - Real Estate and Accumulated Depreciation of Property Owned by Project Partnerships

All other schedules are omitted because they are not applicable or not required, or because the required information is shown either in the financial statements or in the notes thereto.

(3) Exhibit Index -

The following are included with Form S-11, Registration No. 33-18142 and amendments and supplements thereto previously filed with the Securities and Exchange Commission.

Table
Number

1.1	Form of Soliciting Dealer Agreement
1.2	Form of Escrow Agreement between Gateway Tax Credit Fund, Ltd., and Southeast Bank
2.1	Purchase and Sale Agreement, dated June 30, 1988 pertaining to the acquisition of limited partnership interests in Martindale Limited Partnership
2.2	Purchase and Sale Agreement, dated June 30, 1988 pertaining to the acquisition of limited partnership interests in Laynecrest Associates Limited Partnership
2.3	Purchase and Sale Agreement, dated August 28, 1988 pertaining to the acquisition of limited partnership interests in La Villa Elena Limited Partnership
2.4	Purchase and Sale Agreement, date August 28, 1988 pertaining to the acquisition of limited partnership interests in Rio Abajo Limited Partnership
3.1	The form of Partnership Agreement of the Partnership is included as Exhibit "A" to the Prospectus
3.1.1	Amended Certificate of Limited Partnership of Gateway Tax Credit Fund, Ltd.
3.2	Articles of Incorporation of Raymond James Partners, Inc.
3.2.1	Bylaws of Raymond James Partners, Inc.
3.3	Articles of Incorporation of Raymond James Tax Credit Funds, Inc.
3.3.1	Bylaws of Raymond James Tax Credit Funds, Inc.
3.4	Amended and Restated Agreement and Certificate of Limited Partnership of Martindale Limited Partnership
3.5	Amended and Restated Agreement and Certificate of Limited Partnership of Laynecrest Associates Limited
3.6	Amended and Restated Agreement and Certificate of Limited Partnership of La Villa Elena Limited Partnership
3.7	Amended and Restated Agreement and Certificate of Limited Partnership of Rio Abajo Limited Partnership
3.8	Amended and Restated Agreement of Village Apartments of Fortville II, L.P. is included as Exhibit E to the document included as Exhibit 2.5
3.9	Amended and Restated Partnership Agreement of Village Apartments of Summitville II, L.P. is included as Exhibit E to the document included as Exhibit 2.6
3.10	Amended and Restated Partnership Agreement of Village Apartments of Madison, Ltd. is included as Exhibit E to the document included as Exhibit 2.7
3.11	Amended and Restated Partnership Agreement of Village Apartments of Monroe Family, Ltd. is included as Exhibit E to the document included as Exhibit 2.8
3.12	Amended and Restated Partnership Agreement of Village Apartments of Longleaf Apartments, Ltd. is included as Exhibit E to the document included as Exhibit 2.9
3.13	Amended and Restated Partnership Agreement of Village Apartments of Hannah's Mill Apartments, Ltd. is included as Exhibit E to the document included as Exhibit 2.10
3.14	Amended and Restated Partnership Agreement of Village Apartments of

Sylacauga Garden Apartments III, Ltd.

3.15 Amended and Restated Partnership Agreement of Suncrest Limited Partnership is included as Exhibit E to the document included as Exhibit 2.12

3.16 Amended and Restated Partnership Agreement of Dunbarton Oaks III, Limited Partnership

3.17 Amended and Restated Partnership Agreement of Brandywine III Limited Partnership

3.18 Amended and Restated Partnership Agreement of Concord IV Limited Partnership

3.19 Amended and Restated Partnership Agreement of Mulberry Hill IV Associates Limited Partnership

3.20 Amended and Restated Partnership Agreement of Federal Manor Limited Partnership

3.21 Amended and Restated Partnership Agreement of Laurel Apartments Limited Partnership

3.22 Amended and Restated Partnership Agreement of Casa Linda Limited Partnership

3.23 Amended and Restated Partnership Agreement of Rivermeade Associates

3.24 Amended and Restated Partnership Agreement of Keysville Limited Partnership

3.25 Amended and Restated Partnership Agreement of Laurel Woods Associates

3.26 Amended and Restated Partnership Agreement of Meadows Associates

3.27 Amended and Restated Partnership Agreement of Riverside Apts., Ltd.

3.28 Amended and Restated Partnership Agreement of Limestone Estates, Ltd.

3.29 Amended and Restated Partnership Agreement of Sandridge Apts., Ltd.

3.30 Amended and Restated Partnership Agreement of Brookshire Apts., Ltd.

3.31 Amended and Restated Partnership Agreement of Teton View Apts., Ltd.

3.32 Amended and Restated Partnership Agreement of Eagle's Bay Ltd. Partnership

3.33 Amended and Restated Partnership Agreement of Sage, Ltd.

3.34 Amended and Restated Partnership Agreement of Albany, Ltd.

3.35 Amended and Restated Partnership Agreement of Burkesville, Ltd.

3.36 Amended and Restated Partnership Agreement of Scotts Hill, Ltd.

3.37 Amended and Restated Partnership Agreement of Claremont Housing, Ltd.

3.38 Amended and Restated Partnership Agreement of Village Apartments of Sparta Ltd.

3.39 Amended and Restated Partnership Agreement of Crosstown Seniors Limited Dividend Housing Association Ltd.

3.40 Amended and Restated Partnership Agreement of Village Apartments of Divernon Ltd.

3.41 Amended and Restated Partnership Agreement of Oakwood Apartments Ltd.

3.42 Amended and Restated Partnership Agreement of Middleport Ltd.

3.43 Amended and Restated Partnership Agreement of Village Apartments of Morgantown Ltd.

3.44 Amended and Restated Partnership Agreement of Lakewood Apartments Ltd.

3.45 Amended and Restated Partnership Agreement of Mabank 1988 Limited

3.46 Amended and Restated Partnership Agreement of Ashburn Housing Ltd. L.P.

3.47 Amended and Restated Partnership Agreement of Cuthbert Elderly Housing, Ltd.

3.48 Amended and Restated Partnership Agreement of Buena Vista Housing, Ltd. L.P.

3.49 Amended and Restated Partnership Agreement of Spring Creek Apts., Ltd.

3.50 Amended and Restated Partnership Agreement of Milton Elderly Housing, Ltd., L.P.

3.51 Amended and Restated Partnership Agreement of Sandhill Forest, Ltd.

3.52 Amended and Restated Partnership Agreement of Oakwood Grove, Ltd.

3.53 Amended and Restated Partnership Agreement of Hastings Manor, Ltd.

3.54 Amended and Restated Partnership Agreement of Robinhood Apts., Ltd.

3.55 Amended and Restated Partnership Agreement of Skyview Terrace Apts., Ltd.

3.56 Amended and Restated Partnership Agreement of Stone Arbor Ltd.

3.57 Amended and Restated Partnership Agreement of Woodcroft Ltd.

3.58 Amended and Restated Agreement of Limited Partnership of Winder Apartments, Ltd., L.P.

3.59 Amended and Restated Partnership Agreement of Spring Creek Apartments, Ltd.

3.60 Amended and Restated Agreement of Limited Partnership of Hunters Ridge, Ltd.

8.1 Tax opinion and consent of Schifino & Fleischer, P.A.

24.1 Consent of Spence, Marston & Bunch, Certified Public Accountants

- 24.2 The consent of Gerald D. Myers, CPA
- 24.3 The consent of Kenneth Leventhal & Company
- 24.4 The consent of Schifino & Fleischer, P.A., to all references made to them in the Prospectus included as a part of the Registration Statement of Gateway Tax Credit Fund, Ltd., and all amendments thereto, is included in their opinions filed as Exhibit 8.1 to the Registration Statement
- 28.1 Table VI (Acquisition of Properties by Program) of Appendix II to Industry Guide 5, Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships

Prospectus dated March 2, 1988

- b. Reports filed on Form 8-K - NONE
- c. Exhibits filed with this Report - NONE

GATEWAY TAX CREDIT FUND, LTD.

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
 OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
 AS OF DECEMBER 31, 2003
 Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	----	-----
Laynecrest	Medway, OH	48	1,446,953
Martindale	Union, OH	30	923,232
La Villa Elena	Bernalillo, NM	54	1,449,076
Rio Abajo	Truth or Consequences, NM	42	1,375,220
Fortville II	Fortville, IN	24	663,401
Summitville	Summitville, IN	24	724,200
Suncrest	Yanceyville, NC	40	1,453,301
Brandywine III	Millsboro, DE	32	1,071,747
Concord IV	Perryville, MD	32	1,069,968
Dunbarton Oaks III	Georgetown, DE	32	1,089,196
Federal Manor	Federalburg, MD	32	1,143,636
Laurel Apts.	Laurel, DE	32	1,113,766
Mulberry Hill IV	Easton, MD	16	585,516
Madison	Madison, OH	40	1,170,977
Hannah's Mill	Thomaston, GA	50	1,451,699
Longleaf Apts.	Cairo, GA	36	956,093
Sylacauga Garden	Sylacauga, AL	45	1,392,697
Monroe Family	Monroe, GA	48	1,443,842
Casa Linda	Silver City, NM	41	1,360,396
Rivermeade	Yorktown, VA	80	2,515,027
Laurel Woods	Ashland, VA	40	1,257,222
Keysville	Keysville, VA	24	746,256
Crosstown	Kalamazoo, MI	201	4,037,686
Riverside Apts.	Demopolis, AL	40	1,144,949
Brookshire Apts.	McDonough, GA	46	1,372,770
Sandridge Apts.	Fernandina Beach, FL	46	1,298,554
Limestone Estates	Limestone, ME	25	1,135,730
Eagle's Bay	Beaufort, NC	40	1,461,953
Teton View	Rigby, ID	40	1,411,099
Albany	Albany, KY	24	723,263
Burkesville	Burkesville, KY	24	726,751
Scotts Hill	Scotts Hill, TN	12	403,042
Sage	Gallup, NM	44	1,454,582
Claremont	Cascade, ID	16	435,247
Middleport	Middleport, NY	25	936,980
Oakwood Apts.	Columbus, NE	24	777,750
Morgantown	Morgantown, IN	24	779,991
Ashburn Housing	Ashburn, GA	41	1,041,790
Cuthbert Elderly	Cuthbert, GA	32	811,302
Sandhill Forest	Melrose, FL	16	461,817
Oakwood Grove	Crescent City, FL	36	1,000,883
Hastings Manor	Hastings, FL	24	691,145
Lakewood Apts.	Norfolk, NE	72	2,404,350
Robinhood Apts.	Springfield, TN	48	1,448,184
Skyview Terrace	Springfield, TN	48	1,311,233
Mabank 1988	Mabank, TX	42	1,098,704
Buena Vista	Buena Vista, GA	25	648,449
Woodcroft	Elizabethtown, NC	32	1,141,154
Spring Creek	Quitman, GA	18	485,305
Spring Creek	Cherokee, AL	24	869,470
Milton Elderly	Milton, FL	43	1,068,606
Winder Apartments	Winder, GA	48	1,404,041
Hunters Ridge	Killen, AL	40	1,154,282
Stone Arbor	Madison, NC	40	1,470,688
Greeneville	Greeneville, TN	40	1,189,073
Centralia II	Centralia, IL	24	791,709
Poteau IV	Poteau, OK	32	574,523
Barling	Barling, AR	48	887,941
Booneville	Booneville, AR	50	1,341,376
Augusta	Augusta, KS	66	1,898,857
Meadows	Farmville, VA	40	1,312,954
Kenly Housing	Kenly, NC	48	1,321,020

Fairview South	Athens, TX	44	1,053,235
River Road Apts.	Waggaman, LA	43	1,059,628
Middlefield	Middlefield, OH	36	1,073,798
Floresville	Floresville, TX	40	1,025,899
Mathis Retirement	Mathis, TX	36	863,475
Sabinal Housing	Sabinal, TX	24	597,679
Kingsland Housing	Kingsland, TX	34	836,265
Crestwood Villa II	Crestline, OH	36	1,063,304
Poteau Prop. III	Poteau, OK	19	457,519
Decatur Properties	Decatur, AR	24	764,648
Broken Bow Prop II	Broken Bow, OK	46	1,465,271
Turtle Creek II	Grove, OK	42	1,229,615
Pleasant Valley	Grangeville, ID	32	1,135,511
Hartwell Elderly	Hartwell, GA	24	662,952
Pulaski Village	Pulaski, VA	44	1,372,351
Southwood Apts.	Jacksonville, TX	40	940,895

			\$ 87,934,669
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GATEWAY TAX CREDIT FUND, LTD.

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
 OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
 AS OF DECEMBER 31, 2003
 Apartment Properties

Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
Laynecrest	310,264	1,533,433	18,736
Martindale	243,665	928,824	22,382
La Villa Elena	128,000	1,672,703	293,487
Rio Abajo	88,500	1,610,884	125,008
Fortville II	25,000	780,355	5,034
Summitville	30,000	849,511	483
Suncrest	331,988	1,788,595	30,757
Brandywine III	105,508	1,154,434	59,456
Concord IV	120,440	1,198,338	102,948
Dunbarton Oaks III	123,135	1,205,530	67,837
Federal Manor	142,632	1,252,927	83,163
Laurel Apts.	144,680	1,156,847	93,935
Mulberry Hill IV	55,379	652,234	35,642
Madison	60,000	1,378,177	40,498
Hannah's Mill	60,000	1,754,918	(2,132)
Longleaf Apts.	54,700	1,135,966	2,280
Sylacauga Garden	70,000	1,521,755	29,798
Monroe Family	110,000	1,678,673	0
Casa Linda	153,730	1,518,228	94,568
Rivermeade	240,134	2,661,910	144,602
Laurel Woods	96,242	1,301,860	151,534
Keysville	30,000	793,750	90,771
Crosstown	408,338	5,164,734	683,771
Riverside Apts.	89,250	1,329,102	63,957
Brookshire Apts.	114,500	1,602,613	60,213
Sandridge Apts.	144,000	1,476,180	62,558
Limestone Estates	79,224	1,318,259	23,300
Eagle's Bay	175,735	1,752,762	34,752
Teton View	50,218	972,662	823,648
Albany	49,161	865,007	23,389
Burkesville	44,697	838,328	36,413
Scotts Hill	30,000	465,835	14,592
Sage	196,207	1,616,554	186,006
Claremont	23,500	505,789	84,869
Middleport	18,000	1,132,502	17,350
Oakwood Apts.	96,800	862,439	70,307
Morgantown	15,000	940,191	4,592
Ashburn Housing	35,000	1,265,760	0
Cuthbert Elderly	22,550	1,006,889	(1,144)
Sandhill Forest	28,091	544,545	926
Oakwood Grove	44,712	1,191,986	2,187
Hastings Manor	18,000	839,600	5,603
Lakewood Apts.	207,700	2,754,382	234,880
Robinhood Apts.	50,500	1,752,851	28,614
Skyview Terrace	40,112	1,424,008	80,883
Mabank 1988	57,200	1,210,248	135,395
Buena Vista	11,390	804,816	(1,979)
Woodcroft	82,500	1,402,798	12,135
Spring Creek	33,330	575,656	(1,378)
Spring Creek	20,000	589,739	398,089
Milton Elderly	50,000	1,292,395	1,772
Winder Apartments	73,500	1,692,510	(3,285)
Hunters Ridge	48,275	1,370,214	2,327
Stone Arbor	57,280	1,813,230	3,554
Greeneville	47,258	1,434,138	78,902
Centralia II	36,450	954,070	(14,292)
Poteau IV	33,000	683,016	0
Barling	62,500	1,049,173	41,191
Booneville	32,500	1,650,087	0

Augusta	101,300	2,280,419	0
Meadows	102,342	1,455,858	29,993
Kenly Housing	25,000	1,588,636	97,839
Fairview South	103,909	1,218,102	42,530
River Road Apts.	138,000	1,340,045	41,261
Middlefield	70,700	1,250,957	28,570
Floresville	75,524	1,050,346	186,192
Mathis Retirement	37,127	1,041,038	6,225
Sabinal Housing	18,000	752,263	9,852
Kingsland Housing	30,000	894,081	236,529
Crestwood Villa II	54,000	1,317,395	2,488
Poteau Prop. III	18,350	564,655	0
Decatur Properties	24,300	945,516	0
Broken Bow Prop II	70,000	1,887,868	0
Turtle Creek II	45,000	1,513,446	0
Pleasant Valley	65,227	1,342,952	72,812
Hartwell Elderly	49,800	771,529	0
Pulaski Village	75,000	1,650,373	123,166
Southwood Apts.	46,189	1,153,440	36,513
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	\$ 6,500,243	\$101,693,839	\$ 5,598,854
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GATEWAY TAX CREDIT FUND, LTD.

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN

AS OF DECEMBER 31, 2003

Apartment Properties Gross Amount At Which Carried At December 31, 2003

Partnership	Land	Buildings, Improvements and Equipment	Total
Laynecrest	324,659	1,537,774	1,862,433
Martindale	251,096	943,775	1,194,871
La Villa Elena	128,000	1,966,190	2,094,190
Rio Abajo	88,500	1,735,892	1,824,392
Fortville II	25,000	785,389	810,389
Summitville	30,000	849,994	879,994
Suncrest	349,456	1,801,884	2,151,340
Brandywine III	30,382	1,289,016	1,319,398
Concord IV	35,899	1,385,827	1,421,726
Dunbarton Oaks III	27,853	1,368,649	1,396,502
Federal Manor	86,281	1,392,441	1,478,722
Laurel Apts	40,971	1,354,491	1,395,462
Mulberry Hill IV	20,761	722,494	743,255
Madison	60,000	1,418,675	1,478,675
Hannah's Mill	60,000	1,752,786	1,812,786
Longleaf Apts.	54,700	1,138,246	1,192,946
Sylacauga Garden	70,000	1,551,553	1,621,553
Monroe Family	110,000	1,678,673	1,788,673
Casa Linda	153,730	1,612,796	1,766,526
Rivermeade	251,734	2,794,912	3,046,646
Laurel Woods	106,742	1,442,894	1,549,636
Keysville	34,534	879,987	914,521
Crosstown	600,414	5,656,429	6,256,843
Riverside Apts.	93,089	1,389,220	1,482,309
Brookshire Apts.	142,601	1,634,725	1,777,326
Sandridge Apts.	147,400	1,535,338	1,682,738
Limestone Estates	79,224	1,341,559	1,420,783
Eagle's Bay	181,070	1,782,179	1,963,249
Teton View	87,187	1,759,341	1,846,528
Albany	49,161	888,396	937,557
Burkesville	44,697	874,741	919,438
Scotts Hill	30,000	480,427	510,427
Sage	196,207	1,802,560	1,998,767
Claremont	29,041	585,117	614,158
Middleport	18,000	1,149,852	1,167,852
Oakwood Apts.	98,308	931,238	1,029,546
Morgantown	15,000	944,783	959,783
Ashburn Housing	35,000	1,265,760	1,300,760
Cuthbert Elderly	22,550	1,005,745	1,028,295
Sandhill Forest	28,091	545,471	573,562
Oakwood Grove	44,712	1,194,173	1,238,885
Hastings Manor	18,000	845,203	863,203
Lakewood Apts.	267,432	2,929,530	3,196,962
Robinhood Apts.	50,500	1,781,465	1,831,965
Skyview Terrace	40,112	1,504,891	1,545,003
Mabank 1988	108,531	1,294,312	1,402,843
Buena Vista	11,390	802,837	814,227
Woodcroft	82,500	1,414,933	1,497,433
Spring Creek	33,330	574,278	607,608
Spring Creek	20,000	987,828	1,007,828
Milton Elderly	50,000	1,294,167	1,344,167
Winder Apartments	73,500	1,689,225	1,762,725
Hunters Ridge	48,275	1,372,541	1,420,816
Stone Arbor	57,280	1,816,784	1,874,064
Greeneville	47,258	1,513,040	1,560,298
Centralia II	36,450	939,778	976,228
Poteau IV	33,000	683,016	716,016
Barling	62,500	1,090,364	1,152,864
Booneville	32,500	1,650,087	1,682,587
Augusta	101,300	2,280,419	2,381,719
Meadows	105,846	1,482,347	1,588,193

Kenly Housing	25,000	1,686,475	1,711,475
Fairview South	82,501	1,282,040	1,364,541
River Road Apts.	138,000	1,381,306	1,519,306
Middlefield	70,700	1,279,527	1,350,227
Floresville	76,669	1,235,393	1,312,062
Mathis Retirement	37,127	1,047,263	1,084,390
Sabinal Housing	18,000	762,115	780,115
Kingsland Housing	30,000	1,130,610	1,160,610
Crestwood Villa II	54,000	1,319,883	1,373,883
Poteau Prop. III	18,350	564,655	583,005
Decatur Properties	24,300	945,516	969,816
Broken Bow Prop II	70,000	1,887,868	1,957,868
Turtle Creek II	45,000	1,513,446	1,558,446
Pleasant Valley	65,227	1,415,764	1,480,991
Hartwell Elderly	49,800	771,529	821,329
Pulaski Village	75,000	1,773,539	1,848,539
Southwood Apts.	34,840	1,201,302	1,236,142
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	\$ 6,476,268	\$107,316,668	\$113,792,936
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GATEWAY TAX CREDIT FUND, LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2003
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life	
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Laynecrest	1,125,341	5.0	- 27.5
Martindale	647,226	5.0	- 27.5
La Villa Elena	747,526	5.0	- 40.0
Rio Abajo	656,754	5.0	- 40.0
Fortville II	441,112	5.0	- 27.5
Summitville	481,547	5.0	- 27.5
Suncrest	658,507	5.0	- 40.0
Brandywine III	799,992	5.0	- 27.5
Concord IV	846,189	5.0	- 27.5
Dunbarton Oaks III	838,624	5.0	- 27.5
Federal Manor	854,588	5.0	- 27.5
Laurel Apts	852,131	5.0	- 27.5
Mulberry Hill IV	440,279	5.0	- 27.5
Madison	655,310	5.0	- 33.0
Hannah's Mill	888,095	5.0	- 30.0
Longleaf Apts.	587,028	5.0	- 30.0
Sylacauga Garden	965,388	5.0	- 27.5
Monroe Family	900,403	5.0	- 27.5
Casa Linda	601,173	5.0	- 40.0
Rivermeade	1,569,605	5.0	- 27.5
Laurel Woods	873,213	5.0	- 27.5
Keysville	521,101	5.0	- 27.5
Crosstown	2,501,762	5.0	- 40.0
Riverside Apts.	509,889	5.0	- 40.0
Brookshire Apts.	800,094	5.0	- 30.0
Sandridge Apts.	760,339	5.0	- 30.0
Limestone Estates	800,385	5.0	- 27.5
Eagle's Bay	592,687	5.0	- 50.0
Teton View	866,819	5.0	- 27.5
Albany	408,004	5.0	- 40.0
Burkesville	398,705	5.0	- 40.0
Scotts Hill	217,285	5.0	- 40.0
Sage	620,248	5.0	- 40.0
Claremont	325,189	5.0	- 27.5
Middleport	404,749	5.0	- 27.5
Oakwood Apts.	436,385	5.0	- 40.0
Morgantown	472,997	5.0	- 27.5
Ashburn Housing	605,212	5.0	- 30.0
Cuthbert Elderly	483,747	5.0	- 30.0
Sandhill Forest	217,262	5.0	- 35.0
Oakwood Grove	481,731	5.0	- 35.0
Hastings Manor	316,073	5.0	- 40.0
Lakewood Apts.	1,487,927	5.0	- 30.0
Robinhood Apts.	849,846	5.0	- 50.0
Skyview Terrace	756,630	5.0	- 50.0
Mabank 1988	613,515	5.0	- 35.0
Buena Vista	376,595	5.0	- 30.0
Woodcroft	447,731	5.0	- 50.0
Spring Creek	270,087	5.0	- 40.0
Spring Creek	248,953	5.0	- 30.0
Milton Elderly	614,116	5.0	- 30.0
Winder Apartments	817,924	5.0	- 50.0
Hunters Ridge	437,835	5.0	- 50.0
Stone Arbor	570,922	5.0	- 50.0
Greeneville	797,963	5.0	- 27.5
Centralia II	476,201	5.0	- 27.5
Poteau IV	381,477	5.0	- 25.0
Barling	629,188	5.0	- 25.0
Booneville	956,112	5.0	- 25.0
Augusta	1,313,664	5.0	- 25.0
Meadows	821,263	5.0	- 27.5
Kenly Housing	582,967	5.0	- 40.0

Fairview South	762,198	5.0	- 25.0
River Road Apts.	473,464	5.0	- 40.0
Middlefield	548,488	5.0	- 27.5
Floresville	440,148	5.0	- 50.0
Mathis Retirement	307,373	5.0	- 50.0
Sabinal Housing	225,165	5.0	- 50.0
Kingsland Housing	309,856	5.0	- 50.0
Crestwood Villa II	574,014	5.0	- 33.0
Poteau Prop. III	320,871	5.0	- 25.0
Decatur Properties	524,204	5.0	- 25.0
Broken Bow Prop II	905,706	5.0	- 25.0
Turtle Creek II	841,362	5.0	- 25.0
Pleasant Valley	717,655	5.0	- 27.5
Hartwell Elderly	376,904	5.0	- 27.5
Pulaski Village	941,197	5.0	- 27.5
Southwood Apts.	665,945	5.0	- 25.0

	\$51,556,360		
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GATEWAY TAX CREDIT FUND, LTD.

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN

AS OF DECEMBER 31, 2003 Reconciliation of Land, Building & Improvements current year changes:

Balance at beginning of period - December 31, 2002		\$ 115,563,294
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	(1,474,466)	
Improvements, etc.	0	
Other	0	

		(1,474,466)
Deductions during period:		
Cost of retired assets	(276,105)	
Other	(19,787)	

		(295,892)

Balance at end of period - December 31, 2003		\$113,792,936
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2002	\$ 49,390,571
Adjustment to Prior Year's Depreciation	0
Accumulated Depreciation of retired assets	(1,269,738)
Current year expense	3,435,527

Balance at end of period - December 31, 2003	\$ 51,556,360
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GATEWAY TAX CREDIT FUND, LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2003

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Laynecrest	48	1,446,953	10.63%	13,193	50
Martindale	30	923,232	9.50%	7,591	50
La Villa Elena	54	1,449,076	9.00%	11,397	50
Rio Abajo	42	1,375,220	9.50%	11,306	50
Fortville II	24	663,401	9.00%	5,214	50
Summitville	24	724,200	9.00%	5,691	50
Suncrest	40	1,453,301	9.00%	11,372	50
Brandywine III	32	1,071,747	9.00%	8,429	50
Concord IV	32	1,069,968	9.50%	8,822	50
Dunbarton Oaks III	32	1,089,196	9.00%	8,270	50
Federal Manor	32	1,143,636	9.00%	8,994	50
Laurel Apts	32	1,113,766	9.50%	9,191	50
Mulberry Hill IV	16	585,516	9.50%	4,822	50
Madison	40	1,170,977	9.50%	9,604	50
Hannah's Mill	50	1,451,699	9.50%	11,920	50
Longleaf Apts.	36	956,093	9.50%	7,852	50
Sylacauga Garden	45	1,392,697	9.00%	10,941	50
Monroe Family	48	1,443,842	9.00%	11,294	50
Casa Linda	41	1,360,396	9.50%	11,167	50
Rivermeade	80	2,515,027	8.75%	19,753	50
Laurel Woods	40	1,257,222	9.00%	9,677	50
Keysville	24	746,256	9.50%	6,137	50
Crosstown	201	4,037,686	7.88%	36,182	30
Riverside Apts.	40	1,144,949	9.25%	8,204	50
Brookshire Apts.	46	1,372,770	8.75%	10,486	50
Sandridge Apts.	46	1,298,554	9.00%	10,071	50
Limestone Estates	25	1,135,730	9.00%	8,910	50
Eagle's Bay	40	1,461,953	8.75%	11,153	50
Teton View	40	1,411,099	8.25%	10,261	50
Albany	24	723,263	9.00%	5,703	50
Burkesville	24	726,751	9.50%	5,996	50
Scotts Hill	12	403,042	8.75%	3,073	50
Sage	44	1,454,582	8.75%	11,087	50
Claremont	16	435,247	9.75%	3,750	50
Middleport	25	936,980	8.75%	7,144	50
Oakwood Apts.	24	777,750	9.50%	6,379	50
Morgantown	24	779,991	9.25%	6,226	50
Ashburn Housing	41	1,041,790	8.75%	7,935	50
Cuthbert Elderly	32	811,302	8.75%	6,189	50
Sandhill Forest	16	461,817	9.00%	3,615	50
Oakwood Grove	36	1,000,883	9.50%	8,215	50
Hastings Manor	24	691,145	9.00%	5,412	50
Lakewood Apts.	72	2,404,350	8.75%	18,332	50
Robinhood Apts.	48	1,448,184	9.75%	11,031	50
Skyview Terrace	48	1,311,233	8.50%	9,866	50
Mabank 1988	42	1,098,704	8.75%	8,345	50
Buena Vista	25	648,449	9.25%	5,187	50
Woodcroft	32	1,141,154	9.00%	8,912	50
Spring Creek	18	485,305	9.00%	4,591	50
Spring Creek	24	869,470	11.50%	5,223	50
Milton Elderly	43	1,068,606	9.25%	8,547	50
Winder Apartments	48	1,404,041	8.75%	10,709	50
Hunters Ridge	40	1,154,282	9.00%	9,032	50
Stone Arbor	40	1,470,688	9.25%	11,759	50
Greeneville	40	1,189,073	9.25%	9,511	50
Centralia II	24	791,709	8.75%	6,031	50
Poteau IV	32	574,523	9.00%	4,777	50
Barling	48	887,941	9.00%	7,382	50
Booneville	50	1,341,376	8.25%	10,250	50
Augusta	66	1,898,857	8.75%	14,465	50
Meadows	40	1,312,954	8.75%	10,010	50
Kenly Housing	48	1,321,020	8.75%	11,366	50
Fairview South	44	1,053,235	9.50%	8,648	50

River Road Apts.	43	1,059,628	8.75%	9,625	33
Middlefield	36	1,073,798	9.25%	8,579	50
Floresville	40	1,025,899	9.50%	8,466	50
Mathis Retirement	36	863,475	9.50%	7,082	50
Sabinal Housing	24	597,679	9.00%	4,674	50
Kingsland Housing	34	836,265	9.00%	6,554	50
Crestwood Villa II	36	1,063,304	9.00%	8,620	50
Poteau Prop. III	19	457,519	9.00%	3,569	50
Decatur Properties	24	764,648	8.75%	5,801	50
Broken Bow Prop II	46	1,465,271	8.75%	11,110	50
Turtle Creek II	42	1,229,615	9.00%	9,818	50
Pleasant Valley	32	1,135,511	8.75%	8,646	50
Hartwell Elderly	24	662,952	8.75%	5,045	50
Pulaski Village	44	1,372,351	9.25%	10,978	50
Southwood Apts.	40	940,895	8.75%	7,175	50

		\$ 87,934,669			
		=====			

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

GATEWAY TAX CREDIT FUND, LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds, Inc.

Date: July 13, 2004

By: /s/ Ronald M. Diner
Ronald M. Diner
President

Date: July 13, 2004

By: /s/ Sandra C. Humphreys
Sandra C. Humphreys
Secretary and Treasurer

Date: July 13, 2004

By: /s/ Carol Georges
Carol Georges
Vice President and Director of Accounting

CERTIFICATIONS*

I, Ron Diner, certify that:

1. I have reviewed this annual report on Form 10-K of Gateway Tax Credit Fund, Ltd.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information include in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 13, 2004

By: /s/ Ronald M. Diner
Ronald M. Diner
President

I, Carol Georges, certify that:

1. I have reviewed this annual report on Form 10-K of Gateway Tax Credit Fund, Ltd.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information include in this annual 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 annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures 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 annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 13, 2004

By: /s/ Carol Georges
Carol Georges
Vice President and Director of Accounting