SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the fiscal year ended March 31, 2002

Commission File Number 0-19022

Gateway Tax Credit Fund II Ltd.
(Exact name of Registrant as specified in its charter)

Florida	65-0142704
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer No.)

880 Carillon Parkway, St. Petersburg, Florida 33716
(Address of principal executive offices) (Zip Code)

Registrant's Telephone No., Including Area Code: (727)573-3800

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: Beneficial Assignee Certificates

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 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

Title of Each Class	Number of Units March 31, 2002
Beneficial Assignee Certificates	2,258
General Partner Interest	2

DOCUMENTS INCORPORATED BY REFERENCE

Parts III and IV - Form S-11 Registration Statement and all amendments and supplements thereto.
File No. 33-31821

PART I

Item 1. Business

Gateway Tax Credit Fund II 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 sponsors of Gateway Tax Credit Fund II Ltd. and wholly-owned subsidiaries of Raymond James Financial, Inc.

Pursuant to the Securities Act of 1933, Gateway filed a Form S-11 Registration Statement with the Securities and Exchange Commission, effective September 12, 1989, which covered the offering (the "Public Offering") of Gateway's Beneficial Assignee Certificates ("BACs") representing assignments of units for the beneficial interest of the limited partnership interest of the Assignor Limited Partner. The Assignor Limited Partner was formed for the purpose of serving in that capacity for the Fund and will not engage in any other business.

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. As of March 31, 2002, Gateway had received capital contributions of $1,000 from the General Partners and $37,228,000 from Assignees.

Gateway offered BACs in five series. BACs in the amounts of $6,136,000, $5,456,000, $6,915,000, $8,616,000 and $10,105,000 for Series 2, 3, 4, 5, and 6, respectively had been issued as of March 31, 2002. Each series is treated as a separate partnership, investing in a separate and distinct pool of Project Partnerships. Net proceeds from each series were used to acquire Project Partnerships which are specifically allocated to such series. Income or loss and all tax items from the Project Partnerships acquired by each series are specifically allocated among the Assignees of such series.

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

As of March 31, 2002, Gateway had invested in 22 Project Partnerships for Series 2, 23 Project Partnerships for Series 3, 29 Project Partnerships for Series 4, 36 Project Partnerships for Series 5 and 38 Project Partnerships for Series 6. Gateway acquired its interests in these properties by becoming a limited partner in the Project Partnerships that own the properties. As of March 31, 2002 each series was fully invested in Project Partnerships and management plans no new investments in the future.

The primary source of funds from the inception of each series has been the capital contributions from Assignees. Gateway's operating costs are funded using the reserves, established for this purpose, the interest earned on these reserves and distributions received from Project Partnerships.

All but two of the Project Partnerships are government subsidized with mortgage loans from the Farmers Home Administration (now called United States Department of Agriculture - 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 23 through 34 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 Assignees 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 contribution of Investors;

3) Participate in any capital appreciation in the value of the Projects; and

4) Provide passive losses to i) individual investors to offset passive income from other passive activities, and ii) corporate investors to offset business income.

The investment objectives and policies of Gateway are described in detail on pages 34 through 40 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, 2002 the investor capital contributions 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.

Gateway has no direct employees. Services are performed by the Managing General Partner and its affiliates and by agents retained by it. The Managing General Partner has full and exclusive discretion in management and control of Gateway.

Item 2. Properties

Gateway owns a majority interest in properties through its limited partnership investments in Project Partnerships. The largest single investment in a Project Partnership in Series 2 is 12.2% of the Series' total assets, Series 3 is 6.6%, Series 4 is 6.3%, Series 5 is 8.1% and Series 6 is 6.5%. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2001:

Item 2 - Properties (continued):

SERIES 2

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Claxton Elderly	Claxton, GA	24	9/90	$799,538	100%
Deerfield II	Douglas, GA	24	9/90	854,562	100%
Hartwell Family	Hartwell, GA	24	9/90	859,698	92%
Cherrytree Apts.	Albion, PA	33	9/90	1,439,636	88%
Springwood Apts.	Westfield, NY	32	9/90	1,512,872	94%
Lakeshore Apts.	Tuskegee, AL	34	9/90	1,278,341	100%
Lewiston	Lewiston, NY	25	10/90	1,233,935	96%
Charleston	Charleston, AR	32	9/90	1,076,098	88%
Sallisaw II	Sallisaw, OK	47	9/90	1,517,589	96%
Pocola	Pocola, OK	36	10/90	1,245,870	92%
Inverness Club	Inverness, FL	72	9/90	3,496,824	85%
Pearson Elderly	Pearson, GA	25	9/90	781,460	100%
Richland Elderly	Richland, GA	33	9/90	1,057,871	88%
Lake Park	Lake Park, GA	48	9/90	1,794,542	90%
Woodland Terrace	Waynesboro, GA	30	9/90	1,079,691	93%
Mt. Vernon Elderly	Mt. Vernon, GA	21	9/90	700,935	76%
Lakeland Elderly	Lakeland, GA	29	9/90	955,815	100%
Prairie Apartments	Eagle Butte, SD	21	10/90	1,274,335	100%
Sylacauga Heritage	Sylacauga, AL	44	12/90	1,761,852	91%
Manchester Housing	Manchester, GA	49	1/91	1,781,301	94%
Durango C.W.W.	Durango, CO	24	1/91	1,307,669	100%
Columbus Seniors	Columbus, KS	16	5/92	520,066	100%
		723		$28,330,500	

The aggregate average effective rental per unit is $3,576 per year ($298 per month).

Inverness Club Ltd.'s fixed asset total is 12.2% of the Series 2 total Project Partnership fixed assets. Inverness Club was placed in service in October 1991, is located on Florida's West Coast and operates as a low-income 72 unit apartment facility for the elderly. It also offers an optional congregate services package to all tenants. The property competes for tenants with six other apartment properties in the area. The market study estimated a demand for 100 elderly units.

Inverness Club's occupancy rate was 85% and its average effective annual rental per unit was $4,879 ($407 per month) on December 31, 2001. The land cost was $205,500 and the building cost was $3,291,324. The building is depreciated using the straight line method over 27.5 years. Management believes the property insurance coverage is adequate. For the year ended December 31, 2001 the real estate taxes were $64,300.

Item 2 - Properties (continued):

SERIES 3 PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Poteau II	Poteau, OK	52	8/90	$1,789,148	94%
Sallisaw	Sallisaw, OK	52	8/90	1,744,103	100%
Nowata Properties	Oolagah, OK	32	8/90	1,148,484	97%
Waldron Properties	Waldron, AR	24	9/90	860,273	92%
Roland II	Roland, OK	52	10/90	1,804,010	83%
Stilwell	Stilwell, OK	48	10/90	1,597,701	88%
Birchwood Apts.	Pierre, SD	24	9/90	1,072,975	63%
Hornellsville	Arkport, NY	24	9/90	1,122,594	92%
Sunchase II	Watertown, SD	41	9/90	1,377,916	100%
CE McKinley II	Rising Sun, MD	16	9/90	826,883	94%
Weston Apartments	Weston, AL	10	11/90	339,949	100%
Countrywood Apts.	Centreville, AL	40	11/90	1,564,882	100%
Wildwood Apts.	Pineville, LA	28	11/90	1,086,720	93%
Hancock	Hawesville, KY	12	12/90	440,425	100%
Hopkins	Madisonville, KY	24	12/90	927,256	96%
Elkhart Apts.	Elkhart, TX	54	1/91	1,598,400	94%
Bryan Senior	Bryan, OH	40	1/91	1,188,292	95%
Brubaker Square	New Carlisle, OH	38	1/91	1,459,016	87%
Southwood	Savannah, TN	44	1/91	1,801,011	98%
Villa Allegra	Celina, OH	32	1/91	1,150,622	97%
Belmont Senior	Cynthiana, KY	24	1/91	935,143	100%
Heritage Villas	Helena, GA	25	3/91	824,759	100%
Logansport Seniors	Logansport, LA	32	3/91	1,109,993	100%
		768		$27,770,555	

The average effective rental per unit is $3,158 per year ($263 per month).

Item 2 - Properties (continued):

SERIES 4

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Alsace	Soda Springs, ID	24	12/90	$823,605	96%
Seneca Apartments	Seneca, MO	24	2/91	742,204	96%
Eudora Senior	Eudora, KS	36	3/91	1,257,482	100%
Westville	Westville, OK	36	3/91	1,101,686	100%
Wellsville Senior	Wellsville, KS	24	3/91	810,970	96%
Stilwell II	Stilwell, OK	52	3/91	1,657,974	94%
Spring Hill Sr.	Spring Hill, KS	24	3/91	1,036,369	88%
Smithfield	Smithfield, UT	40	4/91	1,885,097	95%
Tarpon Heights	Galliano, LA	48	4/91	1,493,434	100%
Oaks Apartments	Oakdale, LA	32	4/91	1,045,982	97%
Wynnwood Common	Fairchance, PA	34	4/91	1,679,018	100%
Chestnut	Howard, SD	24	5/91	1,070,451	67%
Apts -St. George	St. George, SC	24	6/91	939,655	96%
Williston	Williston, SC	24	6/91	1,002,600	100%
Brackettville Sr.	Brackettville, TX	32	6/91	1,042,263	100%
Sonora Seniors	Sonora, TX	32	6/91	1,047,032	100%
Ozona Seniors	Ozona, TX	24	6/91	802,089	100%
Fredericksburg Sr.	Fredericksburg, TX	48	6/91	1,444,252	100%
St. Joseph	St. Joseph, IL	24	6/91	976,883	96%
Courtyard	Huron, SD	21	6/91	860,189	100%
Rural Development	Ashland, ME	25	6/91	1,422,482	88%
Jasper Villas	Jasper, AR	25	6/91	1,105,278	88%
Edmonton Senior	Edmonton, KY	24	6/91	906,714	96%
Jonesville Manor	Jonesville, VA	40	6/91	1,729,510	100%
Norton Green	Norton, VA	40	6/91	1,719,002	98%
Owingsville Senior	Owingsville, KY	22	8/91	853,294	100%
Timpson Seniors	Timpson, TX	28	8/91	815,916	93%
Piedmont	Barnesville, GA	36	8/91	1,289,047	97%
S.F. Arkansas City	Arkansas City, KS	12	8/91	412,028	100%
		879		$32,972,506	

The average effective rental per unit is $3,475 per year ($290 per month).

Item 2 - Properties (continued):

SERIES 5

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Seymour	Seymour, IN	37	8/91	1,517,702	78%
Effingham	Effingham, IL	24	8/91	980,617	96%
S.F. Winfield	Winfield, KS	12	8/91	402,402	92%
S.F.Medicine Lodge	Medicine Lodge,KS	16	8/91	564,559	100%
S.F. Ottawa	Ottawa, KS	24	8/91	732,342	100%
S.F. Concordia	Concordia, KS	20	8/91	692,426	100%
Highland View	Elgin, OR	24	9/91	893,154	100%
Carrollton Club	Carrollton, GA	78	9/91	3,217,901	97%
Scarlett Oaks	Lexington, SC	40	9/91	1,677,363	98%
Brooks Hill	Ellijay, GA	44	9/91	1,753,174	98%
Greensboro	Greensboro, GA	24	9/91	866,259	96%
Greensboro II	Greensboro, GA	33	9/91	1,088,664	100%
Pine Terrace	Wrightsville, GA	25	9/91	885,186	92%
Shellman	Shellman, GA	27	9/91	901,648	100%
Blackshear	Cordele, GA	46	9/91	1,602,149	100%
Crisp Properties	Cordele, GA	31	9/91	1,127,071	100%
Crawford	Crawford, GA	25	9/91	907,712	100%
Yorkshire	Wagoner, OK	60	9/91	2,574,298	98%
Woodcrest	South Boston, VA	40	9/91	1,574,776	98%
Fox Ridge	Russellville, AL	24	9/91	889,941	96%
Redmont II	Red Bay, AL	24	9/91	840,596	100%
Clayton	Clayton, OK	24	9/91	871,530	96%
Alma	Alma, AR	24	9/91	957,710	100%
Pemberton Village	Hiawatha, KS	24	9/91	776,725	92%
Magic Circle	Eureka, KS	24	9/91	823,643	88%
Spring Hill	Spring Hill, KS	36	9/91	1,449,378	94%
Menard Retirement	Menard, TX	24	9/91	760,852	100%
Wallis Housing	Wallis, TX	24	9/91	578,333	92%
Zapata Housing	Zapata, TX	40	9/91	1,238,405	100%
Mill Creek	Grove, OK	60	11/91	1,741,669	97%
Portland II	Portland, IN	20	11/91	780,437	100%
Georgetown	Georgetown, OH	24	11/91	959,965	100%
Cloverdale	Cloverdale, IN	24	1/92	962,915	100%
So. Timber Ridge	Chandler, TX	44	1/92	1,308,876	93%
Pineville	Pineville, MO	12	5/92	409,427	100%
Ravenwood	Americus, GA	24	1/94	900,996	100%
		1,106		$40,210,801	

The average effective rental per unit is $3,355 per year ($280 per month).

Item 2 - Properties (continued):

SERIES 6

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Spruce	Pierre, SD	24	11/91	1,136,691	63%
Shannon	O'Neill, NE	16	11/91	675,251	100%
Carthage	Carthage, MO	24	1/92	731,133	96%
Mountain Crest	Enterprise, OR	39	3/92	1,244,525	79%
Coal City	Coal City, IL	24	3/92	1,258,825	100%
Blacksburg Terrace	Blacksburg, SC	32	4/92	1,357,066	97%
Frazer Place	Smyrna, DE	30	4/92	1,676,842	97%
Ehrhardt	Ehrhardt, SC	16	4/92	685,776	94%
Sinton	Sinton, TX	32	4/92	1,053,059	97%
Frankston	Frankston, TX	24	4/92	674,981	100%
Flagler Beach	Flagler Beach, FL	43	5/92	1,653,116	100%
Oak Ridge	Williamsburg, KY	24	5/92	1,037,966	92%
Monett	Monett, MO	32	5/92	970,357	91%
Arma	Arma, KS	28	5/92	881,140	96%
Southwest City	Southwest City, MO	12	5/92	407,837	100%
Meadowcrest	Luverne, AL	32	6/92	1,206,133	100%
Parsons	Parsons, KS	48	7/92	1,532,968	96%
Newport Village	Newport, TN	40	7/92	1,619,953	95%
Goodwater Falls	Jenkins, KY	36	7/92	1,399,638	97%
Northfield Station	Corbin, KY	24	7/92	1,022,561	83%
Pleasant Hill	Somerset, KY	24	7/92	967,376	96%
Winter Park	Mitchell, SD	24	7/92	1,273,535	100%
Cornell	Watertown, SD	24	7/92	1,092,468	100%
Heritage Drive So.	Jacksonville, TX	40	1/92	1,215,014	100%
Brodhead	Brodhead, KY	24	7/92	962,793	92%
Mt. Village	Mt. Vernon, KY	24	7/92	943,900	96%
Hazlehurst	Hazlehurst, MS	32	8/92	1,193,657	97%
Sunrise	Yankton, SD	33	8/92	1,420,160	100%
Stony Creek	Hooversville, PA	32	8/92	1,649,283	94%
Logan Place	Logan, OH	40	9/92	1,526,912	88%
Haines	Haines, AK	32	8/92	3,037,929	84%
Maple Wood	Barbourville, KY	24	8/92	1,025,489	96%
Summerhill	Gassville, AR	28	9/92	844,240	96%
Dorchester	St. George, SC	12	9/92	562,272	100%
Lancaster	Mountain View, AR	33	9/92	1,383,886	100%
Autumn Village	Harrison, AR	16	7/92	615,604	100%
Hardy	Hardy, AR	24	7/92	936,515	96%
Dawson	Dawson, GA	40	11/93	1,474,973	100%
		1,086		$44,351,824	

The average effective rental per unit is $3,589 per year ($299 per month).

Item 2 - Properties (continued):

A summary of the cost of the properties at December 31, 2001, 2000 and 1999 is as follows:

12/31/01

	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	125,464	251,976	164,057
Buildings	26,261,278	25,247,403	30,125,849
Furniture and Fixtures	931,578	1,285,630	1,494,488
Construction in Progress	0	0	0
Properties, at Cost	28,330,500	27,770,555	32,972,506
Less: Accum.Depreciation	10,152,720	12,513,532	11,277,285
Properties, Net	$18,177,780	$15,257,023	$21,695,221

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,456,671	$ 1,779,755	$ 6,422,264
Land Improvements	72,944	534,541	1,148,982
Buildings	37,045,749	39,858,054	158,538,333
Furniture and Fixtures	1,635,437	2,179,474	7,526,607
Construction in Progress	0	0	0
Properties, at Cost	40,210,801	44,351,824	173,636,186
Less: Accum.Depreciation	13,336,649	13,603,728	60,883,914
Properties, Net	$26,874,152	$30,748,096	$112,752,272

12/31/00

	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	123,358	379,665	153,052
Buildings	26,249,454	25,021,159	29,917,751
Furniture and Fixtures	908,034	1,234,233	1,465,181
Construction in Progress	0	0	0
Properties, at Cost	28,293,026	27,620,603	32,724,096
Less: Accum.Depreciation	9,287,713	11,579,979	10,297,994
Properties, Net	$19,005,313	$16,040,624	$22,426,102

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,456,671	$ 1,779,755	$ 6,422,264
Land Improvements	72,944	531,557	1,260,576
Buildings	37,006,489	39,822,962	158,017,815
Furniture and Fixtures	1,612,553	2,090,579	7,310,580
Construction in Progress	0	0	0
Properties, at Cost	40,148,657	44,224,853	173,011,235
Less: Accum.Depreciation	12,049,324	12,258,319	55,473,329
Properties, Net	$28,099,333	$31,966,534	$117,537,906

12/31/99	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	123,358	379,665	137,610
Buildings	26,249,454	25,015,969	29,894,951
Furniture and Fixtures	898,766	1,192,726	1,436,736
Construction in Progress	0	0	0
Properties, at Cost	28,283,758	27,573,906	32,657,409
Less: Accum.Depreciation	8,394,446	10,647,074	9,323,398
Properties, Net	$19,889,312	$16,926,832	$23,334,011

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,456,671	$ 1,779,755	$ 6,422,264
Land Improvements	66,384	517,455	1,224,472
Buildings	36,914,988	39,804,795	157,880,157
Furniture and Fixtures	1,563,738	2,012,364	7,104,330
Construction in Progress	0	0	0
Properties, at Cost	40,001,781	44,114,369	172,631,223
Less: Accum.Depreciation	10,765,825	10,920,837	50,051,580
Properties, Net	$29,235,956	$33,193,532	$122,579,643

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, 2002, 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 (BACs) are not publicly traded. There is no market for Gateway's Limited Partnership interests and it is unlikely that any will develop. No transfers of Limited Partnership Interest or BAC Units are permitted without the prior written consent of the Managing General Partner. There have been several transfers from inception to date 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 - "Issuance of BAC'S" on pages A-29 and A-30 of the Limited Partnership Agreement within the Prospectus, which is incorporated herein by reference.

There have been no distributions to Assignees from inception to date.

(b) Approximate Number of Equity Security Holders:

Title of Class	Number of Holders as of March 31, 2002
Beneficial Assignee Certificates	2,258
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 2	2002	2001	2000	1999	1998
Total Revenues	$ 36,666	$ 43,114	$ 40,198	$ 41,405	$ 41,272
Net Loss	(99,198)	(123,576)	(166,538)	(221,305)	(337,693)
Equity in Losses of Project Partnerships	(43,931)	(76,493)	(115,544)	(126,899)	(288,412)
Total Assets	575,947	634,752	723,067	853,057	1,045,569
Investments In Project Partnerships	78,301	124,529	208,215	331,579	510,805
Per BAC: (A)					
Tax Credits	64.12	162.60	166.30	166.30	166.40
Portfolio Income	11.87	14.10	12.20	12.90	13.10
Passive Loss	(148.48)	(127.50)	(141.60)	(144.60)	(147.90)
Net Loss	(16.00)	(19.94)	(26.87)	(35.71)	(54.48)

FOR THE YEARS ENDED MARCH 31,:

SERIES 3	2002	2001	2000	1999	1998
Total Revenues	$ 42,526	$ 52,385	$ 51,385	$ 44,329	$ 65,111
Net Loss	(80,062)	(58,677)	(147,068)	(187,324)	(221,508)
Equity in Losses of Project Partnerships	(34,441)	(26,094)	(114,700)	(105,820)	(198,168)
Total Assets	465,530	512,301	545,897	669,866	846,210
Investments In Project Partnerships	34,601	71,138	100,190	218,820	378,000
Per BAC: (A)					
Tax Credits	6.22	44.70	68.90	164.30	176.60
Portfolio Income	13.83	14.00	12.80	14.10	20.10
Passive Loss	(154.72)	(156.40)	(151.20)	(145.00)	(154.10)
Net Loss	(14.53)	(10.65)	(26.69)	(33.99)	(40.19)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 4	2002	2001	2000	1999	1998
Total Revenues	$ 44,426	$ 51,145	$ 48,997	$ 46,672	$ 44,309
Net Loss	(185,366)	(311,663)	(235,491)	(348,671)	(485,415)
Equity in Losses of Project Partnerships	(118,314)	(254,163)	(175,823)	(208,919)	(421,886)
Total Assets	663,983	807,069	1,082,020	1,280,602	1,600,054
Investments In Project Partnerships	96,741	223,689	487,692	676,348	981,823
Per BAC: (A)					
Tax Credits	82.68	165.70	168.60	168.60	168.60
Portfolio Income	12.51	15.00	14.30	14.10	13.70
Passive Loss	(149.99)	(160.40)	(137.50)	(136.00)	(157.20)
Net Loss	(26.54)	(44.62)	(33.71)	(49.92)	(69.50)

FOR THE YEARS ENDED MARCH 31,:

SERIES 5	2002	2001	2000	1999	1998
Total Revenues	$ 58,867	$ 64,244	$ 65,839	$ 64,661	$ 54,417
Net Loss	(268,277)	(248,131)	(243,982)	(403,555)	(813,502)
Equity in Losses of Project Partnerships	(189,327)	(179,765)	(178,140)	(300,042)	(728,729)
Total Assets	1,298,281	1,519,231	1,728,422	1,932,914	2,306,065
Investments In Project Partnerships	550,146	752,227	951,449	1,145,581	1,500,087
Per BAC: (A)					
Tax Credits	153.83	164.60	164.60	164.60	164.60
Portfolio Income	12.75	15.60	14.30	14.40	14.10
Passive Loss	(145.76)	(140.30)	(134.60)	(149.20)	(141.60)
Net Loss	(30.83)	(28.51)	(28.03)	(46.37)	(93.47)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 6	2002	2001	2000	1999	1998
Total Revenues	$ 52,783	$ 57,541	$ 54,234	$ 50,722	$ 49,707
Net Loss	(407,763)	(481,031)	(531,947)	(701,324)	(870,137)
Equity in Losses of Project Partnerships	(306,042)	(384,730)	(433,597)	(601,405)	(761,923)
Total Assets	2,016,612	2,364,264	2,793,368	3,272,734	3,930,665
Investments In Project Partnerships	1,257,026	1,584,877	1,997,390	2,464,086	3,102,793
Per BAC: (A)					
Tax Credits	167.27	165.60	165.50	165.50	165.50
Portfolio Income	11.24	13.80	12.70	12.90	12.90
Passive Loss	(127.50)	(127.30)	(126.50)	(129.30)	(124.30)
Net Loss	(39.95)	(47.13)	(52.12)	(68.54)	(85.25)

(A) The per BAC tax information is as of December 31, the year end 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, Liquidity and Capital Resources

Operations commenced on September 14, 1990, with the first admission of Assignees in Series 2. The proceeds from Assignees' capital contributions available for investment were used to acquire interests in Project Partnerships.

As disclosed on the statement of operations for each Series, except as described below, interest income is comparable for the years ended March 31, 2002, March 31, 2001 and March 31, 2000. The General and Administrative expenses - General Partner and General and Administrative expenses - Other for the year ended March 31, 2002 are comparable to March 31, 2001 and March 31, 2000.

The capital resources of each Series 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 unpaid at the time Gateway sells its interests in the Project Partnerships is subordinated to the return of the investors' original capital contributions).

The sources of funds to pay the operating costs of each Series 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 the Series from the operations of the Project Partnerships.

From inception, no Series has paid distributions and management does not anticipate distributions in the future.

Series 2 - Gateway closed this series on September 14, 1990 after receiving $6,136,000 from 375 Assignees. As of March 31, 2002, the series had invested $4,524,678 in 22 Project Partnerships located in 10 states containing 723 apartment units. Average occupancy of the Project Partnerships was 93% at December 31, 2001.

Equity in Losses of Project Partnerships decreased from $ 115,544 for the year ended March 31, 2000 to $76,493 for the year ended March 31, 2001 and to $43,931 for the year ended March 31, 2002. As presented in Note 5, Gateway's share of net loss decreased from $716,618 for the year ended March 31,2000 to $611,603 for the year ended March 31,2001 and increased to $706,233 for the year ended March 31,2002. Suspended Losses decreased from $601,074 for the year ended March 31, 2000 to $535,110 for the year ended March 31, 2001 and increased to $662,302 for the year ended March 31, 2002. These losses would reduce the investment in Project Partnerships below zero. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. (These Project Partnerships reported depreciation and amortization of $897,242, $893,266 and $865,003 for the years ended December 31, 1999, 2000, and 2001 respectively.) As a result, management expects that this Series, as well as those described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. Overall, management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $235,805 of short-term investments (Cash and Cash Equivalents). It also had $261,841 in Zero Coupon Treasuries with annual maturities providing $56,105 in fiscal year 2003 increasing to $66,285 in fiscal year 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $99,198 for the year ending March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $43,931 and the changes in operating assets and liabilities, net cash used in operating activities was $17,511, of which $34,981 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $39,388, consisting of $12,460 in cash distributions from the Project Partnerships and $26,928 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 3 - Gateway closed this series on December 13, 1990 after receiving $5,456,000 from 398 Assignees. As of March 31, 2002 the series had invested $3,888,713 in 23 Project Partnerships located in 12 states containing 768 apartment units. Average occupancy of the Project Partnerships was 94% as of December 31, 2001.

Equity in Losses of Project Partnerships decreased from $ 114,700 for the year ended March 31, 2000 to $26,094 for the year ended March 31, 2001 and increased to $34,441 for the year ended March 31, 2002. As presented in Note 5, Gateway's share of net loss decreased from $988,019 for the year ended March 31,2000 to $735,412 for the year ended March 31,2001 and to $710,345 for the year ended March 31,2002. Suspended Losses decreased from $873,319 for the year ended March 31, 2000 to $709,318 for the year ended March 31, 2001 and to $675,904 for the year ended March 31, 2002. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $1,213,599, $941,538 and $946,476 for the years ended December 31, 1999, 2000 and 2001, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $198,028 of short-term investments (Cash and Cash Equivalents). It also had $232,901 in Zero Coupon Treasuries with annual maturities providing $49,888 in fiscal year 2003 increasing to $58,940 in fiscal year 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $80,062 for the year ended March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $34,441 and the changes in operating assets and liabilities, net cash used in operating activities was $24,505, of which $37,164 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $44,918, consisting of $20,966 in cash distributions received from the Project Partnerships and $23,952 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 4 - Gateway closed this series on May 31, 1991 after receiving $6,915,000 from 465 Assignees. As of March 31, 2002, the series had invested $4,952,519 in 29 Project Partnerships located in 16 states containing 879 apartment units. Average occupancy of the Project Partnerships was 96% at December 31, 2001.

Equity in Losses of Project Partnerships increased from $175,823 for the year ended March 31, 2000 to $254,163 for the year ended March 31, 2001 and decreased to $118,314 for the year ended March 31, 2002. As presented in Note 5, Gateway's share of net loss increased from $704,086 for the year ended March 31,2000 to $847,148 for the year ended March 31,2001 and decreased to $766,057 for the year ended March 31,2002. Suspended Losses increased from $528,263 for the year ended March 31, 2000 to $592,985 for the year ended March 31, 2001 and to $647,743 for the year ended March 31,2002. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $983,083, $976,176 and $979,666 for the years ended December 31, 1999, 2000 and 2001, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $272,179 of short-term investments (Cash and Cash Equivalents). It also had $295,063 in Zero Coupon Treasuries with annual maturities providing $63,227 in fiscal year 2003 increasing to $74,700 in fiscal year 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $185,366 for the year ended March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $118,314 and the changes in operating assets and liabilities, net cash used in operating activities was $27,548, of which $44,751 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $50,236, consisting of $19,892 in cash distributions from the Project Partnerships and $30,344 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 5 - Gateway closed this series on October 11, 1991 after receiving

$8,616,000 from 535 Assignees. As of March 31, 2002, the series had invested $6,164,472 in 36 Project Partnerships located in 13 states containing 1,106 apartment units. Average occupancy of the Project Partnerships was 97% as of December 31, 2001.

Equity in Losses of Project Partnerships were comparable for the years ended March 31, 2000, 2001, and 2002. (These Project Partnerships reported depreciation and amortization of $1,286,201, $1,283,498 and $1,294,116 for the years ended December 31, 1999, 2000 and 2001, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $380,377 of short-term investments (Cash and Cash Equivalents). It also had $367,758 in Zero Coupon Treasuries with annual maturities providing $78,780 in fiscal year 2003 increasing to $93,075 in fiscal year 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $268,277 for the year ended March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $189,327 and the changes in operating assets and liabilities, net cash used in operating activities was $37,473, of which $60,518 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $66,996 consisting of $29,176 in cash distributions from the Project Partnerships and $37,820 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Series 6 - Gateway closed this series on March 11, 1992 after receiving $10,105,000 from 625 Assignees. As of March 31, 2002, the series had invested $7,462,215 in 38 Project Partnerships located in 19 states containing 1,086 apartment units. Average occupancy of the Project Partnerships was 95% as of December 31, 2001.

Equity in Losses of Project Partnerships decreased from $433,957 for the year ended March 31, 2000 to $384,730 for the year ended March 31, 2001 and to $306,042 for the year ended March 31, 2002. These decreases were due to additional suspended losses of $430,306, $523,064, and $609,347 for the years ended March 31, 2000, 2001 and 2002 respectively, as these losses would reduce the investment in certain Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $1,371,839, $1,337,714 and $1,347,661 for the years ended December 31, 1999, 2000 and 2001, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2002, the Series had $455,377 of short-term investments (Cash and Cash Equivalents). It also had $304,209 in Zero Coupon Treasuries with annual maturities providing $66,000 in fiscal year 2003 increasing to $83,000 in fiscal year 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $407,763 for the year ended March 31, 2002. However, after adjusting for Equity in Losses of Project Partnerships of $306,042 and the changes in operating assets and liabilities, net cash used in operating activities was $45,330, of which $57,881 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $63,071 of which $30,012 was received in cash distributions from the Project Partnerships and $33,059 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITOR'S REPORT

To the Partners of Gateway Tax Credit Fund II Ltd.

We have audited the accompanying balance sheets of each of the five Series (Series 2 through 6) constituting Gateway Tax Credit Fund II Ltd. (a Florida Limited Partnership) as of March 31, 2002 and 2001 and the related statements of operations, partners' equity (deficit), and cash flows of each of the five Series for each of the three years in the period ended March 31, 2002. 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 did not audit the financial statements of certain Project Partnerships for which cumulative equity in losses included on the balance sheets as of March 31, 2002 and 2001 and net losses included on the statements of operations for each of the three years in the period ended March 31, 2002 are:

	Cumulative Equity in Losses March 31,		Partnership Loss Year Ended March 31,		
	2002	2001	2002	2001	2000
Series 2	$3,763,013	$3,733,616	$ 29,397	$ 57,696	$ 92,023
Series 3	3,126,202	3,114,487	11,713	13,173	79,587
Series 4	3,360,237	3,303,187	57,051	176,447	130,892
Series 5	3,680,345	3,600,697	79,648	92,712	83,458
Series 6	4,418,917	4,237,605	181,311	242,250	276,688

Those 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 auditing standards generally accepted in the United States of America. 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 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 financial statements referred to above present fairly, in all material respects, the financial position of each of the five Series (Series 2 through 6) constituting Gateway Tax Credit Fund II Ltd. as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2002, 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 20, 2002

PART I - Financial Information
Item 1. Financial Statements

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 2	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 235,805	$ 213,928
Investments in Securities	56,098	53,836
Total Current Assets	291,903	267,764
Investments in Securities	205,743	242,459
Investments in Project Partnerships, Net	78,301	124,529
Total Assets	$ 575,947	$ 634,752
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 54,118	$ 46,941
Total Current Liabilities	54,118	46,941
Long-Term Liabilities:		
Payable to General Partners	429,262	396,046
Partners' Equity (deficit):		
Assignor Limited Partner Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 2 had 6,136 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 2 had 6,136 at March 31, 2002 and 2001, issued and outstanding	145,441	243,647
General Partners	(52,874)	(51,882)
Total Partners' Equity	92,567	191,765
Total Liabilities and Partners' Equity	$ 575,947	$ 634,752

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 3	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 198,028	$ 177,615
Investments in Securities	49,898	47,886
Total Current Assets	247,926	225,501
Investments in Securities	183,003	215,662
Investments in Project Partnerships, Net	34,601	71,138
Total Assets	$ 465,530	$ 512,301
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 58,717	$ 51,154
Total Current Liabilities	58,717	51,154
Long-Term Liabilities:		
Payable to General Partners	319,290	293,562
Partners' Equity (deficit):		
Assignor Limited Partner Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 3 had 5,456 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 3 had 5,456 at March 31, 2002 and 2001, issued and outstanding	134,464	213,725
General Partners	(46,941)	(46,140)
Total Partners' Equity	87,523	167,585
Total Liabilities and Partners' Equity	$ 465,530	$ 512,301

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 4	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 272,179	$ 249,491
Investments in Securities	63,215	60,666
Total Current Assets	335,394	310,157
Investments in Securities	231,848	273,223
Investments in Project Partnerships, Net	96,741	223,689
Total Assets	$ 663,983	$ 807,069
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 66,364	$ 56,807
Total Current Liabilities	66,364	56,807
Long-Term Liabilities:		
Payable to General Partners	415,676	382,953
Partners' Equity (deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 4 had 6,915 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 4 had 6,915 at March 31, 2002 and 2001, issued and outstanding	240,778	424,290
General Partners	(58,835)	(56,981)
Total Partners' Equity	181,943	367,309
Total Liabilities and Partners' Equity	$ 663,983	$ 807,069

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 5	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 380,377	$ 350,854
Investments in Securities	78,790	75,613
Total Current Assets	459,167	426,467
Investments in Securities	288,968	340,537
Investments in Project Partnerships, Net	550,146	752,227
Total Assets	$1,298,281	$1,519,231
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 87,779	$ 75,689
Total Current Liabilities	87,779	75,689
Long-Term Liabilities:		
Payable to General Partners	417,637	382,400
Partners' Equity (deficit):		
Assignor Limited Partner Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 5 had 8,616 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 5 had 8,616 at March 31, 2002 and 2001, issued and outstanding	860,560	1,126,154
General Partners	(67,695)	(65,012)
Total Partners' Equity	792,865	1,061,142
Total Liabilities and Partners' Equity	$1,298,281	$1,519,231

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

SERIES 6	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 455,377	$ 437,636
Investments in Securities	62,622	58,858
Total Current Assets	517,999	496,494
Investments in Securities	241,587	282,893
Investments in Project Partnerships, Net	1,257,026	1,584,877
Total Assets	$2,016,612	$2,364,264
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 83,891	$ 71,653
Total Current Liabilities	83,891	71,653
Long-Term Liabilities:		
Payable to General Partners	536,157	488,284
Partners' Equity (deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 6 had 10,105 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 6 had 10,105 at March 31, 2002 and 2001, issued and outstanding	1,471,324	1,875,009
General Partners	(74,760)	(70,682)
Total Partners' Equity	1,396,564	1,804,327
Total Liabilities and Partners' Equity	$2,016,612	$2,364,264

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2002 AND 2001

TOTAL SERIES 2 - 6	2002	2001
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$1,541,766	$1,429,524
Investments in Securities	310,623	296,859
Total Current Assets	1,852,389	1,726,383
Investments in Securities	1,151,149	1,354,774
Investments in Project Partnerships, Net	2,016,815	2,756,460
Total Assets	$5,020,353	$5,837,617
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 350,869	$ 302,244
Total Current Liabilities	350,869	302,244
Long-Term Liabilities:		
Payable to General Partners	2,118,022	1,943,245
Partners' Equity (deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which Series 2-6 had 37,228 at March 31, 2002 and 2001 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, Series 2-6 had 37,228 at March 31, 2002 and 2001, issued and outstanding	2,852,567	3,882,825
General Partners	(301,105)	(290,697)
Total Partners' Equity	2,551,462	3,592,128
Total Liabilities and Partners' Equity	$5,020,353	$5,837,617

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 2	2002	2001	2000
Revenues:			
Interest Income	$ 25,806	$ 34,132	$ 33,028
Other Income	10,860	8,982	7,170
Total Revenues	36,666	43,114	40,198
Expenses:			
Asset Management Fee-General Partner	68,197	68,361	68,511
General and Administrative:			
General Partner	11,737	9,149	8,181
Other	11,302	10,886	11,237
Amortization	697	1,801	3,263
Total Expenses	91,933	90,197	91,192
Loss Before Equity in Losses of Project Partnerships	(55,267)	(47,083)	(50,994)
Equity in Losses of Project Partnerships	(43,931)	(76,493)	(115,544)
Net Loss	$ (99,198)	$ (123,576)	$ (166,538)
Allocation of Net Loss:			
Assignees	$ (98,206)	$ (122,340)	$ (164,873)
General Partners	(992)	(1,236)	(1,665)
	$ (99,198)	$ (123,576)	$ (166,538)
Net Loss Per Beneficial Assignee Certificate	$ (16.00)	$ (19.94)	$ (26.87)
Number of Beneficial Assignee Certificates Outstanding	6,136	6,136	6,136

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

Series 3	2002	2001	2000
Revenues:			
Interest Income	$ 22,536	$ 29,545	$ 28,740
Other Income	19,990	22,840	22,645
Total Revenues	42,526	52,385	51,385
Expenses:			
Asset Management Fee-General Partner	62,892	63,104	63,301
General and Administrative:			
General Partner	12,271	9,565	8,552
Other	11,864	11,179	10,780
Amortization	1,120	1,120	1,120
Total Expenses	88,147	84,968	83,753
Loss Before Equity in Losses of Project Partnerships	(45,621)	(32,583)	(32,368)
Equity in Losses of Project Partnerships	(34,441)	(26,094)	(114,700)
Net Loss	$ (80,062)	$ (58,677)	$(147,068)
Allocation of Net Loss:			
Assignees	$ (79,261)	$ (58,090)	$(145,597)
General Partners	(801)	(587)	(1,471)
	$ (80,062)	$ (58,677)	$(147,068)
Net Loss Per Beneficial Assignee Certificate	$ (14.53)	$ (10.65)	$ (26.69)
Number of Beneficial Assignee Certificates Outstanding	5,456	5,456	5,456

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 4	2002	2001	2000
Revenues:			
Interest Income	$ 29,219	$ 38,975	$ 37,964
Other Income	15,207	12,170	11,033
Total Revenues	44,426	51,145	48,997
Expenses:			
Asset Management Fee - General Partner	77,474	77,661	77,832
General and Administrative:			
General Partner	15,471	12,060	10,779
Other	14,584	13,636	13,398
Amortization	3,949	5,288	6,656
Total Expenses	111,478	108,645	108,665
Loss Before Equity in Losses of Project Partnerships	(67,052)	(57,500)	(59,668)
Equity in Losses of Project Partnerships	(118,314)	(254,163)	(175,823)
Net Loss	$(185,366)	$(311,663)	$(235,491)
Allocation of Net Loss:			
Assignees	$(183,512)	$(308,546)	$(233,136)
General Partners	(1,854)	(3,117)	(2,355)
	$(185,366)	$(311,663)	$(235,491)
Net Loss Per Beneficial Assignee Certificate	$ (26.54)	$ (44.62)	$ (33.71)
Number of Beneficial Assignee Certificates Outstanding	6,915	6,915	6,915

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 5	2002	2001	2000
Revenues:			
Interest Income	$ 37,335	$ 50,345	$ 48,721
Other Income	21,532	13,899	17,118
Total Revenues	58,867	64,244	65,839
Expenses:			
Asset Management Fee - General Partner	95,755	96,008	96,241
General and Administrative:			
General Partner	19,205	14,972	13,386
Other	17,747	16,520	15,895
Amortization	5,110	5,110	6,159
Total Expenses	137,817	132,610	131,681
Loss Before Equity in Losses of Project Partnerships	(78,950)	(68,366)	(65,842)
Equity in Losses of Project Partnerships	(189,327)	(179,765)	(178,140)
Net Loss	$(268,277)	$(248,131)	$(243,982)
Allocation of Net Loss:			
Assignees	$(265,594)	$(245,650)	$(241,542)
General Partners	(2,683)	(2,481)	(2,440)
	$(268,277)	$(248,131)	$(243,982)
Net Loss Per Beneficial Assignee Certificate	$ (30.83)	$ (28.51)	$ (28.03)
Number of Beneficial Assignee Certificates Outstanding	8,616	8,616	8,616

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

SERIES 6	2002	2001	2000
Revenues:			
Interest Income	$ 35,129	$ 48,609	$ 46,177
Other Income	17,654	8,932	8,057
Total Revenues	52,783	57,541	54,234
Expenses:			
Asset Management Fee - General Partner	105,753	106,125	106,486
General and Administrative:			
General Partner	20,272	15,803	14,130
Other	19,028	18,600	16,986
Amortization	9,451	13,314	14,982
Total Expenses	154,504	153,842	152,584
Loss Before Equity in Losses of Project Partnerships	(101,721)	(96,301)	(98,350)
Equity in Losses of Project Partnerships	(306,042)	(384,730)	(433,597)
Net Loss	$(407,763)	$(481,031)	$(531,947)
Allocation of Net Loss:			
Assignees	$(403,685)	$(476,221)	$(526,628)
General Partners	(4,078)	(4,810)	(5,319)
	$(407,763)	$(481,031)	$(531,947)
Net Loss Per Beneficial Assignee Certificate	$ (39.95)	$ (47.13)	$ (52.12)
Number of Beneficial Assignee Certificates Outstanding	10,105	10,105	10,105

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31,

TOTAL SERIES 2 - 6	2002	2001	2000
Revenues:			
Interest Income	$ 150,025	$ 201,606	$ 194,630
Other Income	85,243	66,823	66,023
Total Revenues	235,268	268,429	260,653
Expenses:			
Asset Management Fee-General Partner	410,071	411,259	412,371
General and Administrative:			
General Partner	78,956	61,549	55,028
Other	74,525	70,821	68,296
Amortization	20,327	26,633	32,180
Total Expenses	583,879	570,262	567,875
Loss Before Equity in Losses of Project Partnerships	(348,611)	(301,833)	(307,222)
Equity in Losses of Project Partnerships	(692,055)	(921,245)	(1,017,804)
Net Loss	$(1,040,666)	$(1,223,078)	$(1,325,026)
Allocation of Net Loss:			
Assignees	$(1,030,258)	$(1,210,847)	$(1,311,776)
General Partners	(10,408)	(12,231)	(13,250)
	$(1,040,666)	$(1,223,078)	$(1,325,026)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 2

	Assignees	General Partners	Total
Balance at March 31, 1999	$ 530,860	$ (48,981)	$ 481,879
Net Loss	(164,873)	(1,665)	(166,538)
Balance at March 31, 2000	365,987	(50,646)	315,341
Net Loss	(122,340)	(1,236)	(123,576)
Balance at March 31, 2001	243,647	(51,882)	191,765
Net Loss	(98,206)	(992)	(99,198)
Balance at March 31, 2002	$ 145,441	$ (52,874)	$ 92,567

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 3	Assignees	General Partners	Total
Balance at March 31, 1999	$ 417,412	$ (44,082)	$ 373,330
Net Loss	(145,597)	(1,471)	(147,068)
Balance at March 31, 2000	271,815	(45,553)	226,262
Net Loss	(58,090)	(587)	(58,677)
Balance at March 31, 2001	213,725	(46,140)	167,585
Net Loss	(79,261)	(801)	(80,062)
Balance at March 31, 2002	$ 134,464	$ (46,941)	$ 87,523

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 4

	Assignees	General Partners	Total
Balance at March 31, 1999	$ 965,972	$ (51,509)	$ 914,463
Net Loss	(233,136)	(2,355)	(235,491)
Balance at March 31, 2000	732,836	(53,864)	678,972
Net Loss	(308,546)	(3,117)	(311,663)
Balance at March 31, 2001	424,290	(56,981)	367,309
Net Loss	(183,512)	(1,854)	(185,366)
Balance at March 31, 2002	$ 240,778	$ (58,835)	$ 181,943

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 5	Assignees	General Partners	Total
Balance at March 31, 1999	$1,613,346	$ (60,091)	$1,553,255
Net Loss	(241,542)	(2,440)	(243,982)
Balance at March 31, 2000	1,371,804	(62,531)	1,309,273
Net Loss	(245,650)	(2,481)	(248,131)
Balance at March 31, 2001	1,126,154	(65,012)	1,061,142
Net Loss	(265,594)	(2,683)	(268,277)
Balance at March 31, 2002	$ 860,560	$ (67,695)	$ 792,865

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 6

	Assignees	General Partners	Total
Balance at March 31, 1999	$ 2,877,858	$ (60,553)	$ 2,817,305
Net Loss	(526,628)	(5,319)	(531,947)
Balance at March 31, 2000	2,351,230	(65,872)	2,285,358
Net Loss	(476,221)	(4,810)	(481,031)
Balance at March 31, 2001	1,875,009	(70,682)	1,804,327
Net Loss	(403,685)	(4,078)	(407,763)
Balance at March 31, 2002	$ 1,471,324	$ (74,760)	$ 1,396,564

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

TOTAL SERIES 2 - 6	Assignees	General Partners	Total
Balance at March 31, 1999	$ 6,405,448	$ (265,216)	$ 6,140,232
Net Loss	(1,311,776)	(13,250)	(1,325,026)
Balance at March 31, 2000	5,093,672	(278,466)	4,815,206
Net Loss	(1,210,847)	(12,231)	(1,223,078)
Balance at March 31, 2001	3,882,825	(290,697)	3,592,128
Net Loss	(1,030,258)	(10,408)	(1,040,666)
Balance at March 31, 2002	$ 2,852,567	$ (301,105)	$ 2,551,462

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 2	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(99,198)	$(123,576)	$(166,538)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	697	1,801	3,263
Accreted Interest Income on Investments in Securities	(19,381)	(21,814)	(23,854)
Equity in Losses of Project Partnerships	43,931	76,493	115,544
Interest Income from Redemption of Securities	26,907	23,537	20,241
Distributions Included in Other Income	(10,860)	(8,982)	(7,170)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	40,393	35,262	36,547
Net Cash Used in Operating Activities	(17,511)	(17,279)	(21,967)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	12,460	14,374	11,727
Redemption of Investment in Securities	26,928	28,263	29,297
Net Cash Provided by Investing Activities	39,388	42,637	41,024
Increase in Cash and Cash Equivalents	21,877	25,358	19,057
Cash and Cash Equivalents at Beginning of Year	213,928	188,570	169,513
Cash and Cash Equivalents at End of Year	$ 235,805	$ 213,928	$ 188,570

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 3	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$ (80,062)	$ (58,677)	$(147,068)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	1,120	1,120	1,120
Accreted Interest Income on Investments in Securities	(17,239)	(19,403)	(21,218)
Equity in Losses of Project Partnerships	34,441	26,094	114,700
Interest Income from Redemption of Securities	23,934	20,936	18,004
Distributions Included In Other Income	(19,990)	(22,840)	(22,645)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	33,291	25,081	10,980
Net Cash Used in Operating Activities	(24,505)	(27,689)	(34,008)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	20,966	24,678	25,455
Redemption of Investment in Securities	23,952	25,139	26,059
Net Cash Provided by Investing Activities	44,918	49,817	51,514
Increase in Cash and Cash Equivalents	20,413	22,128	17,506
Cash and Cash Equivalents at Beginning of Year	177,615	155,487	137,981
Cash and Cash Equivalents at End of Year	$ 198,028	$ 177,615	$ 155,487

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 4	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(185,366)	$(311,663)	$(235,491)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	3,949	5,288	6,656
Accreted Interest Income on Investments in Securities	(21,840)	(24,581)	(26,881)
Equity in Losses of Project Partnerships	118,314	254,163	175,823
Interest Income from Redemption of Securities	30,322	26,523	22,808
Distributions Included In Other Income	(15,207)	(12,170)	(11,033)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	42,280	36,712	36,909
Net Cash Used in Operating Activities	(27,548)	(25,728)	(31,209)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	19,892	16,722	17,210
Redemption of Investment in Securities	30,344	31,849	33,015
Net Cash Provided by Investing Activities	50,236	48,571	50,225
Increase in Cash and Cash Equivalents	22,688	22,843	19,016
Cash and Cash Equivalents at Beginning of Year	249,491	226,648	207,632
Cash and Cash Equivalents at End of Year	$ 272,179	$ 249,491	$ 226,648

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 5	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(268,277)	$(248,131)	$(243,982)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	5,110	5,110	6,159
Accreted Interest Income on Investments in Securities	(27,221)	(30,637)	(33,503)
Equity in Losses of Project Partnerships	189,327	179,765	178,140
Interest Income from Redemption of Securities	37,793	33,057	28,428
Distributions Included In Other Income	(21,532)	(13,899)	(17,118)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	47,327	38,940	39,490
Net Cash Used in Operating Activities	(37,473)	(35,795)	(42,386)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	29,176	28,246	26,951
Redemption of Investment in Securities	37,820	39,696	41,148
Net Cash Provided by Investing Activities	66,996	67,942	68,099
Increase in Cash and Cash Equivalents	29,523	32,147	25,713
Cash and Cash Equivalents at Beginning of Year	350,854	318,707	292,994
Cash and Cash Equivalents at End of Year	$ 380,377	$ 350,854	$ 318,707

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

SERIES 6	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(407,763)	$(481,031)	$(531,947)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	9,451	13,314	14,982
Accreted Interest Income on Investments in Securities	(24,458)	(26,573)	(28,202)
Equity in Losses of Project Partnerships	306,042	384,730	433,597
Interest Income from Redemption of Securities	28,941	24,290	20,134
Distributions Included In Other Income	(17,654)	(8,932)	(8,057)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	60,111	51,927	52,581
Net Cash Used in Operating Activities	(45,330)	(42,275)	(46,912)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	30,012	23,401	26,174
Redemption of Investment in Securities	33,059	33,710	34,866
Net Cash Provided by Investing Activities	63,071	57,111	61,040
Increase in Cash and Cash Equivalents	17,741	14,836	14,128
Cash and Cash Equivalents at Beginning of Year	437,636	422,800	408,672
Cash and Cash Equivalents at End of Year	$ 455,377	$ 437,636	$ 422,800

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000:

TOTAL SERIES 2 - 6	2002	2001	2000
Cash Flows from Operating Activities:			
Net Loss	$(1,040,666)	$(1,223,078)	$(1,325,026)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	20,327	26,633	32,180
Accreted Interest Income on Investments in Securities	(110,139)	(123,008)	(133,658)
Equity in Losses of Project Partnerships	692,055	921,245	1,017,804
Interest Income from Redemption of Securities	147,897	128,343	109,615
Distributions Included In Other Income	(85,243)	(66,823)	(66,023)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	223,402	187,922	188,626
Net Cash Used in Operating Activities	(152,367)	(148,766)	(176,482)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	112,506	107,421	107,517
Redemption of Investment in Securities	152,103	158,657	164,385
Net Cash Provided by Investing Activities	264,609	266,078	271,902
Increase in Cash and Cash Equivalents	112,242	117,312	95,420
Cash and Cash Equivalents at Beginning of Year	1,429,524	1,312,212	1,216,792
Cash and Cash Equivalents at End of Year	$ 1,541,766	$1,429,524	$1,312,212

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002, 2001 AND 2000

NOTE 1 - ORGANIZATION:

Gateway Tax Credit Fund II Ltd. ("Gateway"), a Florida Limited Partnership, was formed September 12, 1989, under the laws of Florida. Operations commenced on September 14, 1990 for Series 2, September 28, 1990 for Series 3, February 1, 1991 for Series 4, July 1, 1991 for Series 5 and January 1, 1992 for Series 6. Gateway has invested, as a limited partner, in other limited partnerships ("Project Partnerships") each of which owns and operates one or more 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. As of March 31, 2002, Gateway had received capital contributions of $1,000 from the General Partners and $37,228,000 from Beneficial Assignee Certificate investors (the "Assignees"). The fiscal year of Gateway for reporting purposes ends on March 31.

Pursuant to the Securities Act of 1933, Gateway filed a Form S-11 Registration Statement with the Securities and Exchange Commission, effective September 12, 1989, which covered the offering (the "Public Offering") of Gateway's Beneficial Assignee Certificates ("BACs") representing assignments of units for the beneficial interest of the limited partnership interest of the Assignor Limited Partner. The Assignor Limited Partner was formed for the purpose of serving in that capacity for the Fund and will not engage in any other business.

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

Gateway offered BACs in five series. BACs in the amounts of $6,136,000, $5,456,000, $6,915,000, $8,616,000 and $10,105,000 for Series 2, 3, 4, 5 and 6, respectively had been issued as of March 31, 2002. Each Series is treated as a separate partnership, investing in a separate and distinct pool of Project Partnerships. Net proceeds from each Series are used to acquire Project Partnerships which are specifically allocated to such Series. Income or loss and all tax items from the Project Partnerships acquired by each Series are specifically allocated among the Assignees of such Series.

Operating profits and losses, cash distributions from operations and tax credits are allocated 99% to the Assignees 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:

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 limited partner in Project Partnerships ("Investments in Project Partnerships"), 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:

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 amortization expense is shown 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. Distributions received from Project Partnerships whose investment has been reduced to zero are included in Other Income.

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.

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.

Concentration 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 accounting principles generally accepted in the United States of America 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. Government Security Strips) until maturity and to use these reserves to fund Gateway's ongoing operations. Interest income is recognized ratably on the U. S. Government Strips using the effective yield to maturity.

Offering and Commission Costs

Offering and commission costs were charged against Assignees' Equity upon the admission of Limited Partners.

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 2001 and 2000 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2002.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2002 Balance Sheet includes Investment in Securities consisting of U.S. Government Security Strips which represents their cost, plus accreted interest income of $143,397 for Series 2, $127,549 for Series 3, $161,591 for Series 4, $201,404 for Series 5 and $151,531 for Series 6. For convenience, the Investment in Securities are commonly held in a brokerage account with Raymond James and Associates, Inc. A separate accounting is maintained for each series' share of the investments.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
Series 2	$ 279,379	$ 261,841	$ 17,538
Series 3	248,421	232,901	15,520
Series 4	314,846	295,063	19,783
Series 5	392,296	367,758	24,538
Series 6	327,845	304,209	23,636

As of March 31, 2002, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
Due within 1 year	$ 56,098	$ 49,898	$ 63,215
After 1 year through 5 years	205,743	183,003	231,848
Total Amount Carried on Balance Sheet	$ 261,841	$ 232,901	$ 295,063

	Series 5	Series 6	Total
Due within 1 year	$ 78,790	$ 62,622	$ 310,623
After 1 year through 5 years	288,968	241,587	1,151,149
Total Amount Carried on Balance Sheet	$ 367,758	$ 304,209	$1,461,772

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.

For the years ended March 31, 2002, 2001 and 2000 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

Asset Management Fee - The Managing General Partner is entitled to be paid an annual asset management fee equal to 0.25% 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.

	2002	2001	2000
Series 2	$ 68,197	$ 68,361	$ 68,511
Series 3	62,892	63,104	63,301
Series 4	77,474	77,661	77,832
Series 5	95,755	96,008	96,241
Series 6	105,753	106,125	106,486
Total	$ 410,071	$ 411,259	$ 412,371

General and Administrative Expenses - The Managing General Partner is reimbursed for general and administrative expenses of Gateway on an accountable basis. This expense is included in the Statements of Operations.

	2002	2001	2000
Series 2	$ 11,737	$ 9,149	$ 8,181
Series 3	12,271	9,565	8,552
Series 4	15,471	12,060	10,779
Series 5	19,205	14,972	13,386
Series 6	20,272	15,803	14,130
Total	$ 78,956	$ 61,549	$ 55,028

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 2

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 22 Project Partnerships 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 as of:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,524,678	$ 4,524,678
Cumulative equity in losses of Project Partnerships (1)	(4,673,651)	(4,629,719)
Cumulative distributions received from Project Partnerships	(81,202)	(79,603)
Investment in Project Partnerships before Adjustment	(230,175)	(184,644)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	390,838	390,838
Accumulated amortization of acquisition fees and expenses	(82,362)	(81,665)
Investments in Project Partnerships	$ 78,301	$ 124,529

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,940,699 for the year ended March 31, 2002 and cumulative suspended losses of $2,278,397 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 3

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 23 Project Partnerships 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 as of:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 3,888,713	$ 3,888,713
Cumulative equity in losses of Project Partnerships (1)	(4,102,836)	(4,068,395)
Cumulative distributions received from Project Partnerships	(161,490)	(160,514)
Investment in Project Partnerships before Adjustment	(375,613)	(340,196)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	491,746	491,746
Accumulated amortization of acquisition fees and expenses	(81,532)	(80,412)
Investments in Project Partnerships	$ 34,601	$ 71,138

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,840,222 for the year ended March 31, 2002 and cumulative suspended losses of $3,164,318 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 4

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 29 Project Partnerships 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 as of:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,952,519	$ 4,952,519
Cumulative equity in losses of Project Partnerships (1)	(5,182,485)	(5,064,172)
Cumulative distributions received from Project Partnerships	(116,404)	(111,719)
Investment in Project Partnerships before Adjustment	(346,370)	(223,372)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	562,967	562,967
Accumulated amortization of acquisition fees and expenses	(119,856)	(115,906)
Investments in Project Partnerships	$ 96,741	$ 223,689

1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,771,886 for the year ended March 31, 2002 and cumulative suspended losses of $2,124,143 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 5

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 36 Project Partnerships 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 as of:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 6,164,472	$ 6,164,472
Cumulative equity in losses of Project Partnerships (1)	(5,954,631)	(5,765,304)
Cumulative distributions received from Project Partnerships	(178,539)	(170,895)
Investment in Project Partnerships before Adjustment	31,302	228,273
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	650,837	650,837
Accumulated amortization of acquisition fees and expenses	(131,993)	(126,883)
Investments in Project Partnerships	$ 550,146	$ 752,227

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,217,418 for the year ended March 31, 2002 and cumulative suspended losses of $2,431,381 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 6

As of March 31, 2002, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 38 Project Partnerships 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 as of:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 7,462,215	$ 7,462,215
Cumulative equity in losses of Project Partnerships (1)	(6,620,593)	(6,314,551)
Cumulative distributions received from Project Partnerships	(190,600)	(178,242)
Investment in Project Partnerships before Adjustment	651,022	969,422
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	785,179	785,179
Accumulated amortization of acquisition fees and expenses	(179,175)	(169,724)
Investments in Project Partnerships	$ 1,257,026	$ 1,584,877

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,161,546 for the year ended March 31, 2002 and cumulative suspended losses of $1,552,199 for the year ended March 31, 2001 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

TOTAL SERIES 2 - 6

The following is a summary of Investments in Project Partnerships:

	MARCH 31, 2002	MARCH 31, 2001
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 26,992,597	$ 26,992,597
Cumulative equity in losses of Project Partnerships (1)	(26,534,196)	(25,842,141)
Cumulative distributions received from Project Partnerships	(728,235)	(700,973)
Investment in Project Partnerships before Adjustment	(269,834)	449,483
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,881,567	2,881,567
Accumulated amortization of acquisition fees and expenses	(594,918)	(574,590)
Investments in Project Partnerships	$ 2,016,815	$ 2,756,460

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

	DECEMBER 31,		
SERIES 2	2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,024,736	$ 2,037,305	$ 1,877,161
Investment properties, net	18,177,780	19,005,313	19,889,312
Other assets	770	770	2,370
Total assets	$20,203,286	$21,043,388	$21,768,843
Liabilities and Partners' Equity:			
Current liabilities	$ 455,273	$ 471,487	$ 486,993
Long-term debt	22,983,936	23,050,161	23,110,828
Total liabilities	23,439,209	23,521,648	23,597,821
Partners' equity			
Limited Partner	(3,187,246)	(2,461,788)	(1,833,812)
General Partners	(48,677)	(16,472)	4,834
Total Partners' equity	(3,235,923)	(2,478,260)	(1,828,978)
Total liabilities and partners' equity	$20,203,286	$21,043,388	$21,768,843
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,088,506	$ 4,076,622	$ 4,012,320
Expenses:			
Operating expenses	1,902,218	1,761,220	1,794,189
Interest expense	2,034,652	2,039,917	2,044,746
Depreciation and amortization	865,003	893,266	897,242
Total expenses	4,801,873	4,694,403	4,736,177
Net loss	$ (713,367)	$ (617,781)	$ (723,857)
Other partners' share of net loss	$ (7,134)	$ (6,178)	$ (7,239)
Partnership’s share of net loss	$ (706,233)	$ (611,603)	$ (716,618)
Suspended losses	662,302	535,110	601,074
Equity in Losses of Project Partnerships	$ (43,931)	$ (76,493)	$ (115,544)

As of December 31, 2001, the largest Project Partnership constituted 12.2% and 13.6%, and as of December 31, 2000 the largest Project Partnership constituted 12.3% and 14.4% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 3	DECEMBER 31, 2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,142,126	$ 2,203,617	$ 2,165,819
Investment properties, net	15,257,023	16,040,624	16,926,832
Other assets	181,645	190,282	198,916
Total assets	$17,580,794	$18,434,523	$19,291,567
Liabilities and Partners' Equity:			
Current liabilities	$ 518,692	$ 515,063	$ 491,796
Long-term debt	21,482,917	21,568,724	21,648,149
Total liabilities	22,001,609	22,083,787	22,139,945
Partners' equity			
Limited Partner	(4,567,560)	(3,830,418)	(3,068,148)
General Partners	146,745	181,154	219,770
Total Partners' equity	(4,420,815)	(3,649,264)	(2,848,378)
Total liabilities and partners' equity	$17,580,794	$18,434,523	$19,291,567
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,967,831	$ 3,921,448	$ 3,900,623
Expenses:			
Operating expenses	1,809,964	1,782,758	1,681,735
Interest expense	1,931,889	1,943,451	2,006,761
Depreciation and amortization	946,476	941,538	1,213,599
Total expenses	4,688,329	4,667,747	4,902,095
Net loss	$ (720,498)	$ (746,299)	$(1,001,472)
Other partners' share of net loss	$ (10,153)	$ (10,887)	$ (13,453)
Partnership’s share of net loss	$ (710,345)	$ (735,412)	$ (988,019)
Suspended losses	675,904	709,318	873,319
Equity in Losses of Project Partnerships	$ (34,441)	$ (26,094)	$ (114,700)

As of December 31, 2001, the largest Project Partnership constituted 6.6% and 6.3%, and as of December 31, 2000 the largest Project Partnership constituted 6.6% and 6.5% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 4	DECEMBER 31, 2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,223,546	$ 2,319,692	$ 2,375,444
Investment properties, net	21,695,221	22,426,102	23,334,011
Other assets	7,687	8,059	8,431
Total assets	$23,926,454	$24,753,853	$25,717,886
Liabilities and Partners' Equity:			
Current liabilities	$ 706,112	$ 629,914	$ 620,178
Long-term debt	26,300,200	26,375,576	26,444,765
Total liabilities	27,006,312	27,005,490	27,064,943
Partners' equity			
Limited Partner	(3,142,028)	(2,353,411)	(1,495,788)
General Partners	62,170	101,774	148,731
Total Partners' equity	(3,079,858)	(2,251,637)	(1,347,057)
Total liabilities and partners' equity	$23,926,454	$24,753,853	$25,717,886
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,691,169	$ 4,552,896	$ 4,625,537
Expenses:			
Operating expenses	2,370,889	2,321,963	2,093,013
Interest expense	2,116,061	2,113,809	2,276,169
Depreciation and amortization	979,666	976,176	983,083
Total expenses	5,466,616	5,411,948	5,352,265
Net loss	$ (775,447)	$ (859,052)	$ (726,728)
Other partners' share of net loss	$ (9,390)	$ (11,904)	$ (22,642)
Partnership’s share of net loss	$ (766,057)	$ (847,148)	$ (704,086)
Suspended losses	647,743	592,985	528,263
Equity in Losses of Project Partnerships	$ (118,314)	$ (254,163)	$ (175,823)

As of December 31, 2001, the largest Project Partnership constituted 6.3% and 6.1%, and as of December 31, 2000 the largest Project Partnership constituted 6.2% and 5.9% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

		DECEMBER 31,	
SERIES 5	2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,984,516	$ 2,911,097	$ 2,903,343
Investment properties, net	26,874,152	28,099,333	29,235,956
Other assets	2,302	2,552	2,552
Total assets	$29,860,970	$31,012,982	$32,141,851
Liabilities and Partners' Equity:			
Current liabilities	$ 735,358	$ 733,324	$ 720,555
Long-term debt	32,462,257	32,564,539	32,658,604
Total liabilities	33,197,615	33,297,863	33,379,159
Partners' equity			
Limited Partner	(3,138,040)	(2,139,036)	(1,136,314)
General Partners	(198,605)	(145,845)	(100,994)
Total Partners' equity	(3,336,645)	(2,284,881)	(1,237,308)
Total liabilities and partners' equity	$29,860,970	$31,012,982	$32,141,851
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,345,086	$ 5,291,101	$ 5,614,817
Expenses:			
Operating expenses	2,776,878	2,708,108	2,570,893
Interest expense	2,259,308	2,277,520	2,658,463
Depreciation and amortization	1,294,116	1,283,498	1,286,201
Total expenses	6,330,302	6,269,126	6,515,557
Net loss	$ (985,216)	$ (978,025)	$ (900,740)
Other partners' share of net loss	$ (9,852)	$ (9,780)	$ (9,008)
Partnership’s share of net loss	$ (975,364)	$ (968,245)	$ (891,732)
Suspended losses	786,037	788,480	713,592
Equity in Losses of Project Partnerships	$ (189,327)	$ (179,765)	$ (178,140)

As of December 31, 2001, the largest Project Partnership constituted 8.1% and 8.6%, and as of December 31, 2000 the largest Project Partnership constituted 8.0% and 8.6% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 6	DECEMBER 31, 2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,313,947	$ 3,196,719	$ 3,056,225
Investment properties, net	30,748,096	31,966,534	33,193,532
Other assets	4,626	4,857	8,088
Total assets	$34,066,669	$35,168,110	$36,257,845
Liabilities and Partners' Equity:			
Current liabilities	$ 739,207	$ 697,789	$ 670,941
Long-term debt	35,191,000	35,341,376	35,487,112
Total liabilities	35,930,207	36,039,165	36,158,053
Partners' equity			
Limited Partner	(1,523,911)	(576,890)	354,389
General Partners	(339,627)	(294,165)	(254,597)
Total Partners' equity	(1,863,538)	(871,055)	99,792
Total liabilities and partners' equity	$34,066,669	$35,168,110	$36,257,845
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,951,586	$ 5,737,151	$ 5,831,193
Expenses:			
Operating expenses	2,826,568	2,604,025	2,459,553
Interest expense	2,704,167	2,715,299	2,875,156
Depreciation and amortization	1,347,661	1,337,714	1,371,839
Total expenses	6,878,396	6,657,038	6,706,548
Net loss	$ (926,810)	$ (919,887)	$ (875,355)
Other partners' share of net loss	$ (11,421)	$ (12,093)	$ (11,452)
Partnership’s share of net loss	$ (915,389)	$ (907,794)	$ (863,903)
Suspended losses	609,347	523,064	430,306
Equity in Losses of Project Partnerships	$ (306,042)	$ (384,730)	$ (433,597)

As of December 31, 2001, the largest Project Partnership constituted 6.5% and 6.3%, and as of December 31, 2000 the largest Project Partnership constituted 6.7% and 5.8% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

TOTAL SERIES 2 – 6	DECEMBER 31, 2001	2000	1999
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 12,688,871	$ 12,668,430	$ 12,377,992
Investment properties, net	112,752,272	117,537,906	122,579,643
Other assets	197,030	206,520	220,357
Total assets	$125,638,173	$130,412,856	$135,177,992
Liabilities and Partners' Equity:			
Current liabilities	$ 3,154,642	$ 3,047,577	$ 2,990,463
Long-term debt	138,420,310	138,900,376	139,349,458
Total liabilities	141,574,952	141,947,953	142,339,921
Partners' equity			
Limited Partner	(15,558,785)	(11,361,543)	(7,179,673)
General Partners	(377,994)	(173,554)	17,744
Total Partners' equity	(15,936,779)	(11,535,097)	(7,161,929)
Total liabilities and partners' equity	$125,638,173	$130,412,856	$135,177,992
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 24,044,178	$ 23,579,218	$ 23,984,490
Expenses:			
Operating expenses	11,686,517	11,178,074	10,599,383
Interest expense	11,046,077	11,089,996	11,861,295
Depreciation and amortization	5,432,922	5,432,192	5,751,964
Total expenses	28,165,516	27,700,262	28,212,642
Net loss	$ (4,121,338)	$ (4,121,044)	$ (4,228,152)
Other partners' share of net loss	$ (47,950)	$ (50,842)	$ (63,794)
Partnership’s share of net loss	$ (4,073,388)	$ (4,070,202)	$ (4,164,358)
Suspended losses	3,381,333	3,148,957	3,146,554
Equity in Losses of Project Partnerships	$ (692,055)	$ (921,245)	$ (1,017,804)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS(continued):

The Partnership's equity by Series as reflected by the Project Partnerships differs from the Partnership's Investments in Project Partnerships before acquisition fees and expenses and amortization by Series primarily because of suspended losses on the Partnerships books and differences in the accounting treatment of miscellaneous items.

By Series these differences are as follows:

	Equity Per Project Partnership	Equity Per Partnership
Series 2	$ (3,187,246)	$ (230,175)
Series 3	(4,567,560)	(375,613)
Series 4	(3,142,028)	(346,370)
Series 5	(3,138,040)	31,302
Series 6	(1,523,911)	651,022

The report of the independent certified public accountants with respect to the financial statements of one Project Partnership expressed substantial doubt as to the Project Partnership's ability to continue as a going concern. Gateway's net investment in this Project Partnership at March 31, 2002 and 2001 is zero. Gateway's original investment in the Project Partnership approximated $176,850. Through December 31, 2001, the Project Partnership has had recurring losses from operations and has a net capital deficiency.

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 2	2002	2001	2000
Net Loss per Financial Statements	$ (99,198)	$ (123,576)	$ (166,538)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(766,507)	(607,544)	(667,867)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	2,365	(1,157)	(42,530)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	33,368	34,070	35,353
Amortization Expense	703	2,074	46,550
Other Adjustments	(8,982)	(7,170)	(6,936)
Partnership loss for tax purposes as of December 31	$ (838,251)	$ (703,303)	$ (801,968)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 393,435	$ 1,007,776	$ 1,030,466

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 78,301	$(4,015,170)	$ 4,093,471
Other Assets	$ 497,646	$ 1,219,552	$ (721,906)
Liabilities	$ 483,380	$ 5,613	$ 477,767

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 3	2002	2001	2000
Net Loss per Financial Statements	$ (80,062)	$ (58,677)	$ (147,068)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(701,962)	(729,147)	(617,452)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	6,786	2,342	(48,955)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	25,902	23,675	22,159
Amortization Expense	1,121	(320)	43,005
Other Adjustments	(22,840)	(22,645)	(14,514)
Partnership loss for tax purposes as of December 31	$ (771,055)	$ (784,772)	$ (762,825)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 33,914	$ 246,310	$ 379,668

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 34,601	$(3,862,975)	$3,897,576
Other Assets	$ 430,929	$ 1,073,956	$ (643,027)
Liabilities	$ 378,007	$ 5,892	$ 372,115

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 4	2002	2001	2000
Net Loss per Financial Statements	$ (185,366)	$ (311,663)	$ (235,491)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(792,465)	(733,176)	(657,984)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	2,098	(255)	(81,152)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	32,919	34,814	35,656
Amortization Expense	4,262	5,852	85,586
Other Adjustments	(12,169)	(11,033)	(7,650)
Partnership loss for tax purposes as of December 31	$ (950,721)	$(1,015,461)	$ (861,035)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 571,729	$ 1,157,673	$ 1,177,677

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 96,741	$(4,499,941)	$ 4,596,682
Other Assets	$ 567,242	$ 1,386,936	$ (819,694)
Liabilities	$ 482,040	$ 7,288	$ 474,752

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 5	2002	2001	2000
Net Loss per Financial Statements	$ (268,277)	$ (248,131)	$ (243,982)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(904,115)	(866,880)	(831,003)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	487	4,320	(30,361)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	35,487	36,613	38,069
Amortization Expense	4,324	5,883	35,067
Other Adjustments	(13,898)	(17,118)	(14,529)
Partnership loss for tax purposes as of December 31	$(1,145,992)	$(1,085,313)	$(1,046,739)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,325,419	$ 1,432,923	$ 1,432,448

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 550,146	$(3,958,706)	$ 4,508,852
Other Assets	$ 748,135	$ 1,760,802	$(1,012,667)
Liabilities	$ 505,416	$ 8,932	$ 496,484

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 6	2002	2001	2000
Net Loss per Financial Statements	$ (407,763)	$ (481,031)	$ (531,947)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(813,890)	(734,221)	(667,038)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(4,523)	1,053	894
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	48,192	49,073	51,057
Amortization Expense	12,066	14,175	10,829
Other Adjustments	(8,930)	(8,057)	(3,915)
Partnership loss for tax purposes as of December 31	$(1,174,848)	$(1,159,008)	$(1,140,120)

	December 31, 2001	December 31, 2000	December 31, 1999
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,690,264	$ 1,690,085	$ 1,690,086

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$1,257,026	$(2,890,908)	$ 4,147,934
Other Assets	$ 759,586	$ 1,920,837	$(1,161,251)
Liabilities	$ 620,048	$ 9,610	$ 610,438

NOTE 6 - TAXABLE INCOME (LOSS):

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

TOTAL SERIES 2 - 6	2002	2001	2000
Net Loss per Financial Statements	$(1,040,666)	$(1,223,078)	$(1,325,026)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(3,978,939)	(3,670,968)	(3,441,344)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	7,213	6,303	(202,104)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	175,868	178,245	182,294
Amortization Expense	22,476	27,664	221,037
Other Adjustments	(66,819)	(66,023)	(47,544)
Partnership loss for tax purposes as of December 31	$(4,808,867)	$(4,747,857)	$(4,612,687)

The difference in the total value of the Partnership's Investment in Project Partnerships is approximately $4,093,000 higher for Series 2, $3,898,000 higher for Series 3, $4,597,000 higher for Series 4, $4,509,000 higher for Series 5 and $4,148,000 higher for Series 6 for financial reporting purposes than for tax return purposes because (i) there were depreciation differences between financial reporting purposes and tax return purposes and (ii) certain expenses are not deductible 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, 2002 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$2,016,815	$(19,227,699)	$21,244,514
Other Assets	$3,003,538	$ 7,362,083	$(4,358,545)
Liabilities	$2,468,891	$ 37,335	$ 2,431,556

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 2

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 7,363	$ 6,765	$ 6,024	$ 16,514
Net Income (Loss)	$ (18,494)	$ (14,975)	$ (21,740)	$ (43,989)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (2.98)	$ (2.42)	$ (3.51)	$ (7.09)

Series 3

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 6,294	$ 5,948	$ 5,298	$ 24,986
Net Income (Loss)	$ (18,269)	$ (19,383)	$ (14,143)	$ (28,267)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (3.31)	$ (3.52)	$ (2.57)	$ (5.13)

Series 4

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 8,219	$ 7,753	$ 6,852	$ 21,602
Net Income (Loss)	$ (49,210)	$ (30,100)	$ (40,404)	$ (65,652)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (7.05)	$ (4.30)	$ (5.79)	$ (9.40)

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Continued):

Series 5

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 10,621	$ 9,928	$ 8,697	$ 29,621
Net Income (Loss)	$ (64,253)	$ (48,932)	$ (95,529)	$ (59,563)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (7.38)	$ (5.63)	$ (10.97)	$ (6.85)

Series 6

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 10,476	$ 9,567	$ 8,310	$ 24,430
Net Income (Loss)	$(104,803)	$ (81,256)	$(126,383)	$ (95,321)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (10.27)	$ (7.96)	$ (12.38)	$ (9.34)

Series 2 - 6

Year 2002	Quarter 1 6/30/2001	Quarter 2 9/30/2001	Quarter 3 12/31/2001	Quarter 4 3/31/2002
Total Revenues	$ 42,973	$ 39,961	$ 35,181	$ 117,153
Net Income (Loss)	$(255,029)	$(194,646)	$(298,199)	$(292,792)

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Continued):

Series 2

Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 8,701	$ 8,761	$ 8,515	$ 8,155
Net Income (Loss)	$ (67,552)	$ (73,068)	$ 16,655	$ 389
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (10.90)	$ (11.79)	$ 2.69	$ 0.06

Series 3

Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 7,368	$ 7,682	$ 7,395	$ 29,940
Net Income (Loss)	$ (23,998)	$ (24,576)	$ (13,401)	$ 3,298
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (4.35)	$ (4.46)	$ (2.44)	$ 0.60

Series 4

Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 9,724	$ 10,110	$ 9,814	$ 21,497
Net Income (Loss)	$ (78,780)	$ (78,697)	$ (56,387)	$ (97,799)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (11.28)	$ (11.27)	$ (8.07)	$ (14.00)

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Continued):

Series 5 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 12,609	$ 13,042	$ 12,642	$ 25,951
Net Income (Loss)	$ (84,676)	$ (94,498)	$ (26,885)	$ (42,072)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (9.73)	$ (10.86)	$ (3.09)	$ (4.83)

Series 6 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 12,500	$ 12,759	$ 12,276	$ 20,006
Net Income (Loss)	$(151,225)	$(184,659)	$(100,280)	$ (44,867)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (14.82)	$ (18.09)	$ (9.82)	$ (4.40)

Series 2-6 Year 2001	Quarter 1 6/30/2000	Quarter 2 9/30/2000	Quarter 3 12/31/2000	Quarter 4 3/31/2001
Total Revenues	$ 50,902	$ 52,354	$ 50,642	$ 114,531
Net Income (Loss)	$(406,231)	$(455,498)	$(180,298)	$(181,051)

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INDEPENDENT AUDITORS' REPORT

To the Partners
Springwood Apartments Limited Partnership
Westfield, New York

We have audited the accompanying balance sheets of Springwood Apartments Limited Partnership, as of December 31, 2001 and 2000, 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Springwood Apartments Limited Partnership as of December 31, 2001 and 2000 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 18, 2002 on our consideration of Springwood Apartments Limited Partnership 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.

/s/ Hill, Barth & King LLC
Certified Public Accountants

January 18, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Cherrytree Apartments Limited Partnership
Albion, Pennsylvania

We have audited the accompanying balance sheets of Cherrytree Apartments Limited Partnership, as of December 31, 2001 and 2000, 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 Cherrytree Apartments Limited Partnership as of December 31, 2001 and 2000 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 15, 2002 on our consideration of Cherrytree Apartments Limited Partnership internal control over financial reporting and our tests of 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.

/s/ Hill, Barth & King LLC
Certified Public Accountants

January 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Wynnwood Commons Associates Limited Partnership
Fairchance, Pennsylvania

We have audited the accompanying balance sheets of Wynnwood Commons Associates Limited Partnership, as of December 31, 2001 and 2000, 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 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 Wynnwood Common Associates Limited Partnership as of December 31, 2001 and 2000 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 25, 2002 on our consideration of Wynnwood Commons Associates Limited Partnership internal control over financial reporting and our tests of 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.

/s/ Hill, Barth & King LLC
Certified Public Accountants

January 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Stony Creek Commons Limited Partnership
Hooversville, Pennsylvania

We have audited the accompanying balance sheets of Stony Creek Commons Limited Partnership, as of December 31, 2001 and 2000, 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 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 Stony Creek Commons Limited Partnership as of December 31, 2001 and 2000 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 25, 2002 on our consideration of Stony Creek Commons Limited Partnership 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.

/s/ Hill, Barth & King LLC
Certified Public Accountants

January25, 2002

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Richland Elderly Housing, Ltd. (a limited partnership), Federal ID No.: 58-1848044, as of December 31, 2001 and 2000, 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 Richland Elderly Housing, Ltd. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 29, 2002 on our consideration of the Richland Elderly Housing, Ltd.'s internal control structure and a report dated January 29, 2002 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Pearson Elderly Housing, Ltd. (A Limited Partnership), Federal ID No.: 58-1848042, as of December 31, 2001 and 2000, 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 Pearson Elderly Housing, Ltd. as of December 31, 2001 and 2000, 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 29, 2002 on our consideration of the Pearson Elderly Housing, Ltd.'s internal control structure and a report dated January 29, 2002 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Lake Park Apartments, Ltd.
Valdosta, Georgia

We have audited the accompanying balance sheets of Lake Park Apartments, Ltd. (A Limited Partnership), Federal ID No.: 58-1844429, as of December 31, 2001 and 2000, 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 American 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 Lake Park Apartments, Ltd. as of December 31, 2001 and 2000, 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 29, 2002 on our consideration of the Lake Park Apartments, Ltd.'s internal control structure and a report dated January 29, 2002 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 the report in considering the results.

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

January 29, 2002

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Lakeland Elderly Housing, Ltd. (a limited partnership), Federal ID No.: 58-1898054, as of December 31, 2001 and 2000, 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 Lakeland Elderly Housing, Ltd. as of December 31, 2001 and 2000, 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 29, 2002 on our consideration of the Lakeland Elderly Housing, Ltd.'s internal control structure and report dated January 29, 2002 on its compliance with laws and regulations. These reports are and 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Woodland Terrace

We have audited the accompanying balance sheets of WOODLAND TERRACE APARTMENTS, LTD., L.L.L.P. (USDA Rural Development Case No. 10-017-581854412), a limited partnership, as of December 31, 2001 and 2000, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration's 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 WOODLAND TERRACE APARTMENTS, LTD. , L.L.L.P., as of December 31, 2001 and 2000, 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 a report dated January 25, 2002, on our consideration of WOODLAND TERRACE APARTMENTS, LTD., L.L.L.P.'s internal control and a report dated January 25, 2002, 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 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 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Manchester Housing, Ltd., L.L.L.P.

We have audited the accompanying balance sheets of MANCHESTER HOUSING, LTD., L.L.L.P., (USDA Rural Development Case No. 10-099-581845215), a limited partnership, as of December 31, 2001 and 2000, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration’s 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 MANCHESTER HOUSING, LTD., L.L.L.P., as of December 31, 2001 and 2000, and the results of its operations, its changes in partners’ 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 a report dated January 25, 2002, on our consideration of MANCHESTER HOUSING, LTD., L.L.L.P.'s internal control and a report dated January 25, 2002, 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 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 25, 2002

Davis, Nichols & Associates LLP
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FAX: 229-244-7704

INDEPENDENT AUDITORS' REPORT

To the Partners
Heritage Villas, L.P.
McRae, Georgia

We have audited the accompanying balance sheets of Heritage Villas, L.P. (a limited partnership), Federal ID #: 58-1898056, as of December 31, 2001 and 2000, and the related statements of income, 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 audit.

We conducted our audit in accordance with 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 Heritage Villas, L.P. as of December 31, 2001 and 2000, 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 8, 2002 on our consideration of Heritage Villas, L.P.'s internal control structure and its compliance with laws and regulations.

/s/ Davis, Nichols & Associates LLP
Certified Public Accountants and Consultants

February 8, 2002

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FAX: 404-876-3913

INDEPENDENT AUDITORS' REPORT

To the Partners of
Crisp Properties, L.L.L.P.

We have audited the accompanying balance sheets of CRISP PROPERTIES, L.L.L.P. (USDA Rural Development Case No. 10-017-581854412), a limited partnership, as of December 31, 2001 and 2000, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration's 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 CRISP PROPERTIES, L.L.L.P. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners 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 a report dated January 25, 2002 on our consideration of CRISP PROPERTIES, L.L.L.P.'s internal control and a report dated January 25, 2002 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 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 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Blackshear Apartments, L.L.L.P. Phase II

We have audited the accompanying balance sheets of BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II (USDA Rural Development Case No. 10-040-581925616), a limited partnership, as of December 31, 2001 and 2000, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration's 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 BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II as of December 31, 2001 and 2000, 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 generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 25, 2002 on our consideration of BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II'S internal control and a report dated January 25, 2002 on its compliance with laws and regulations applicable to 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 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 25, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Crawford Rental Housing, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Crawford Rental Housing, L.P. (a limited partnership), Federal ID #: 58-1850761, as of December 31, 2001 and 2000, 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 Crawford Rental Housing, L.P. as of December 31, 2001and 2000, 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 29, 2002 on our consideration of Crawford Rental Housing, L.P.'s internal control structure and a report dated January 29, 2002 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Shellman Housing, L.P.
Valdosta, Georgia

We have audited the accompanying balance sheets of Shellman Housing, L.P. (a limited partnership), Federal ID No. 58-1917615, as of December 31, 2001 and 2000, 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 Shellman Housing L.P. as of December 31, 2001 and 2000, 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 29, 2002 on our consideration of the Shellman Housing L.P.'s internal control structure and a report dated January 29, 2002 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Greensboro Properties, L.P., Phase II
Valdosta, Georgia

We have audited the accompanying balance sheets of Greensboro Properties, L.P., Phase II (a limited partnership), Federal ID No.: 58-1915804 as of December 31, 2001 and 2000, 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 Greensboro Properties, L.P., Phase II as of December 31, 2001 and 2000, 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 29, 2002 on our consideration of the Greensboro Properties, L.P., Phase II’s internal control structure and a report dated January 29, 2002 on it’s 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Dawson Elderly, L.P.
Dawson, Georgia

We have audited the accompanying balance sheets of Dawson Elderly, L.P. (a limited partnership), Federal ID No.: 58-1966658 as of December 31, 2001 and 2000, 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 Dawson Elderly, L.P. as of December 31, 2001 and 2000, 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 January 29, 2002 on our consideration of Dawson Elderly, L.P.'s internal control structure and a report dated January 29, 2002 on it’s 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 29, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Piedmont Development Company of Lamar
County, LTD.

We have audited the accompanying balance sheets of PIEDMONT DEVELOPMENT COMPANY OF LAMAR COUNTY, LTD. (a limited partnership) as of December 31, 2001 and 2000, 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, Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration's 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 PIEDMONT DEVELOPMENT COMPANY OF LAMAR COUNTY, LTD. as of December 31, 2001 and 2000, and the results of its operations, its changes in partners' 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 a report dated February 5, 2002, on our consideration of PIEDMONT DEVELOPMENT COMPANY OF LAMAR COUNTY, LTD.'s internal control and a report dated February 5, 2002, on its compliance with laws and regulations applicable to the financial statements.

/s/ Habif, Arogeti & Wynne, LLP
Atlanta, Georgia

February 5, 2002

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
Sylacauga Heritage Apartments Ltd.
Sylacauga, Alabama

We have audited the accompanying balance sheets of Sylacauga Heritage Apartments, Ltd., a limited partnership, RHS Project No.: 01-061-631025601 as of December 31, 2001 and 2000, 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 Heritage Apartments, Ltd., RHS Project No.: 01-061-631025601 as of December 31, 2001 and 2000, 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, 2001 and 2000, 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 10, 2002 on our consideration of Sylacauga Heritage Apartments, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 10, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
LOGANSPORT SENIORS APARTMENTS

We have audited the accompanying balance sheets of LOGANSPORT SENIORS APARTMENTS, RHS PROJECT NO. 22-016-721126743 as of December 31, 2001 and 2000 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 LOGANSPORT SENIORS APARTMENTS as of December 31, 2001 and 2000 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 24, 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 February 12, 2002 on our consideration of LOGANSPORT SENIORS APARTMENTS's internal control and a report dated February 12, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 12, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
TARPON HEIGHTS APARTMENTS

We have audited the accompanying balance sheets of TARPON HEIGHTS APARTMENTS, RHS PROJECT NO. 22-029-721103419 as of December 31, 2001 and 2000 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 TARPON HEIGHTS APARTMENTS, as of December 31, 2001 and 2000 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 February 20, 2002 on our consideration of TARPON HEIGHTS APARTMENT's internal control and a report dated February 20, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 20, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
THE OAKS APARTMENTS

We have audited the accompanying balance sheets of THE OAKS APARTMENTS, RHS PROJECT NO. 22-002-721144868 as of December 31, 2001 and 2000 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 THE OAKS APARTMENTS as of December 31, 2001 and 2000 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 February 22, 2002 on our consideration of THE OAKS APARTMENTS’ internal control and a report dated February 22, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 22, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
SONORA SENIORS APARTMENTS

We have audited the accompanying balance sheets of SONORA SENIORS APARTMENTS, RHS PROJECT NO. 51-018-721125480 as of December 31, 2001 and 2000 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 SONORA SENIORS APARTMENTS as of December 31, 2001 and 2000 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 financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2002 on our consideration of SONORA SENIORS APARTMENT's internal control and a report dated February 22, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 22, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
FREDERICKSBURG SENIORS APARTMENTS, LTD.

We have audited the accompanying balance sheets of FREDERICKSBURG SENIORS APARTMENTS, LTD., RHS PROJECT NO. 49-086-721150308 as of December 31, 2001 and 2000 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 FREDERICKSBURG SENIORS APARTMENTS, LTD. as of December 31, 2001 and 2000 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 February 21, 2002 on our consideration of FREDERICKSBURG SENIORS APARTMENTS, LTD.'s internal control and a report dated February 21, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 21, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
BRACKETTVILLE SENIORS APARTMENTS, LTD.

We have audited the accompanying balance sheets of BRACKETTVILLE SENIORS APARTMENTS, LTD., RHS PROJECT NO. 50-036-721150307 as of December 31, 2001 and 2000 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 BRACKETTVILLE SENIORS APARTMENTS, LTD. as of December 31, 2001 and 2000 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 24, 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 February 21, 2002 on our consideration of BRACKETTVILLE SENIORS APARTMENTS, LTD.'s internal control and a report dated February 21, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 21, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
TIMPSON SENIORS APARTMENTS

We have audited the accompanying balance sheets of TIMPSON SENIORS APARTMENTS, RHS PROJECT NO. 51-010-721152460 as of December 31, 2001 and 2000, 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 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 TIMPSON SENIORS APARTMENTS as of December 31, 2001 and 2000 and the results of its operations and 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 February 20, 2002 on our consideration of TIMPSON SENIORS APARTMENT's internal control and a report dated February 20, 2002 on its compliance with laws and regulations applicable to the financial statements.

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

Metairie, Louisiana
February 20, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Charleston Properties, A Limited Partnership
D/B/A Savannah Park of Charleston II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Charleston Properties, A Limited Partnership, D/B/A Savannah Park of Charleston II as of December 31, 2001 and 2000, 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 Charleston Properties, A Limited Partnership, D/B/A Savannah Park of Charleston II as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnerships' internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Sallisaw Properties II, A Limited Partnership
D/B/A Mayfair Place II Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Sallisaw Properties II, A Limited Partnership, D/B/A Mayfair Place II Apartments as of December 31, 2001 and 2000, 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 Sallisaw Properties II, A Limited Partnership, D/B/A Mayfair Place II Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Pocola Properties, A Limited Partnership
D/B/A North Gate Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Pocola Properties, A Limited Partnership, D/B/A North Gate Apartments as of December 31, 2001 and 2000, 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 Pocola Properties, A Limited Partnership, D/B/A North Gate Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Poteau Properties II, A Limited Partnership
D/B/A North Pointe Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Poteau Properties II, A Limited Partnership, D/B/A North Pointe Apartments as of December 31, 2001 and 2000, 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 II, A Limited Partnership, D/B/A North Pointe Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Nowata Properties, A Limited Partnership
D/B/A Cross Creek II Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Nowata Properties, A Limited Partnership, D/B/A Cross Creek II Apartments as of December 31, 2001 and 2000, 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 Nowata Properties, A Limited Partnership, D/B/A Cross Creek II Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of the 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.

The accompanying financial statements have been prepared assuming the Partnership will continue as a going concern. As discussed in Note 8, the Partnership has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Baird, Kurtz, & Dobson, LLP
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Sallisaw Properties, A Limited Partnership
D/B/A Mayfair Place Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Sallisaw Properties, A Limited Partnership, D/B/A Mayfair Place Apartments as of December 31, 2001 and 2000, 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 Sallisaw Properties, A Limited Partnership, D/B/A Mayfair Place Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Roland Properties II, A Limited Partnership
D/B/A Garden Walk of Roland II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Roland Properties II, A Limited Partnership, D/B/A Garden Walk of Roland II as of December 31, 2001 and 2000, 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 Roland Properties II, A Limited Partnership, D/B/A Garden Walk of Roland II as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Stilwell Properties, A Limited Partnership
D/B/A Skywood Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Stilwell Properties, A Limited Partnership, D/B/A Skywood Apartments as of December 31, 2001 and 2000, 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 Stilwell Properties, A Limited Partnership, D/B/A Skywood Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Stilwell Properties II, A Limited Partnership
D/B/A Skywood II Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Stilwell Properties II, A Limited Partnership, D/B/A Skywood II Apartments as of December 31, 2001 and 2000, 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 Stilwell Properties II, A Limited Partnership, D/B/A Skywood II Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountant

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Westville Properties, A Limited Partnership
D/B/A Greystone Place Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Westville Properties, A Limited Partnership, D/B/A Greystone Place Apartments as of December 31, 2001 and 2000, 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 Westville Properties, A Limited Partnership, D/B/A Greystone Place Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

Baird, Kurtz, & Dobson, LLP
5000 Rogers Avenue, Suite 700
Fort Smith, AR 72903-2079
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FAX: 501-452-5542

INDEPENDENT AUDITORS' REPORT

Partners
Mill Creek Properties V, A Limited Partnership
D/B/A Pleasant Grove Apartments
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Mill Creek Properties V, A Limited Partnership, D/B/A Pleasant Grove Apartments as of December 31, 2001 and 2000, 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 Mill Creek Properties V, A Limited Partnership, D/B/A Pleasant Grove Apartments as of December 31, 2001 and 2000, 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 7, 2002, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of the 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
Certified Public Accountants

February 7, 2002

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INDEPENDENT AUDITORS' REPORT

Partners
Parsons Properties, A Limited Partnership
D/B/A Savannah Park of Parsons
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Parsons Properties, A Limited Partnership, D/B/A Savannah Park of Parsons as of December 31, 2001 and 2000, 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 Parsons Properties, A Limited Partnership, D/B/A Savannah Park of Parsons as of December 31, 2001 and 2000, 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 7, 2002, 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
Certified Public Accountants

February 7, 2002

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Valdosta, GA 31604-2241
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FAX: 229-245-1669

INDEPENDENT AUDITORS' REPORT

To the Partners
Inverness Club, Ltd., L.P.
(A Georgia Limited Partnership)
Valdosta, Georgia

We have audited the accompanying balance sheets of Inverness Club, Ltd., L.P. (A Georgia Limited Partnership), FmHA Project No.: 09-009-581808620, as of December 31, 2001 and 2000, 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 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 Inverness Club, Ltd., L.P. as of December 31, 2001 and 2000, 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 16, 2002 on our consideration of Inverness Club, Ltd., L.P.'s internal control structure and a report dated January 16, 2002 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 16, 2002

Henderson & Godbee, P.C.
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FAX: 229-245-1669

INDEPENDENT AUDITORS' REPORT

To the Partners
Carrollton Club, Ltd., L.P.
(A Georgia Limited Partnership)
Valdosta, Georgia

We have audited the accompanying balance sheets of Carrollton Club, Ltd., L.P., (A Georgia Limited Partnership), FmHA Project No.: 10-22-58188314, as of December 31, 2001 and 2000, and the related statements of operations, changes in partners' (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.

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 Carrollton Club, Ltd., L.P. as of December 31, 2001 and 2000, 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 16, 2002 on our consideration of Carrollton Club, Ltd., L.P.'s internal control structure and a report dated January 16, 2002 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 16, 2002

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300 Corporate Pkwy., Suite 116 N.
Amherst, NY 14226
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FAX: 716-862-0007

INDEPENDENT AUDITORS' REPORT

To The Partners of
Lewiston Limited Partnership
Case No. 37-032-161349932
and
RD Rural Housing Director
166 Washington Avenue
Batavia, New York 14020

We have audited the accompanying balance sheets of Lewiston Limited Partnership as of December 31, 2001 and 2000, and the related statements of operations, partners' capital (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 Lewiston Limited Partnership as of December 31, 2001 and 2000, 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 January 16, 2002, on our consideration of Lewiston Limited Partnership's internal control structure and a report dated January 16, 2002, on its compliance with laws and regulations.

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

January 16, 2002

Miller & Rose, P.L.L.C.
1309 E. Race Avenue
Searcy, AR 72143
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INDEPENDENT AUDITORS' REPORT

Partners
Lancaster House, An Arkansas Limited Partnership
D/B/A Pebble Creek Apartments
351 East 4th Street
Mountain Home, AR 72653

We have audited the accompanying financial statements of Lancaster House, An Arkansas Limited Partnership, D/B/A Pebble Creek Apartments as of December 31, 2001 and 2000, and for the years then ended, as listed in the table of contents. 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 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 statements 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 Lancaster House, An Arkansas Limited Partnership, D/B/A Pebble Creek Apartments as of December 31, 2001 and 2000, 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 March 20, 2002 on our consideration of Lancaster House, An Arkansas Limited Partnership, D/B/A Pebble Creek Apartments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

/s/ Miller & Rose, P.L.L.C.
Certified Public Accountants

March 20, 2002

Leavitt, Christensen & Co.
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FAX: 208-322-7307

INDEPENDENT AUDITORS' REPORT

Managing General Partner
Haines Associates Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Haines Associates Limited Partnership, as of December 31, 2001 and 2000, and the related statements of operations, partners' capital (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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Haines Associates Limited Partnership as of December 31, 2001 and 2000, 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 January 31, 2002 on our consideration of Haines Associates Limited Partnership's internal control and 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.

The partnership has filed tax returns with the Internal Revenue Service which allow the partners to receive the benefit of a low income housing tax credit. Because the qualifying standards of the low income housing tax credit are different than the requirements of the loan agreement and the interest credit agreements, and due to the fact that the low income housing tax credit relates to income taxes which are the responsibility of the individual partners, the scope of these audits were not designed or intended to audit the compliance with the various low income housing tax credit laws. Therefore, these audits can not be relied on to give assurances with regard to compliance with any low income housing tax credit laws.

/s/ Leavitt, Christensen & Co.
Certified Public Accountants
January 31, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Woodcrest Associates of South Boston, VA, Ltd.
Charlotte, North Carolina

We have audited the accompanying balance sheets of Woodcrest Associates of South Boston, VA, Ltd.(a Virginia limited partnership) as of December 31, 2001 and 2000, 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 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 Woodcrest Associates of South Boston, VA, Ltd. as of December 31, 2001 and 2000, 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 31, 2002, 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.

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, 2002

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
Norton Green Limited Partnership

I have audited the accompanying balance sheets of Norton Green Limited Partnership as of December 31, 2001 and 2000, 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 generally accepted auditing standards 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 Norton Green Limited Partnership as of December 31, 2001 and 2000, 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, 2002 on my consideration of Norton Green 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
Certified Public Accountant

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Jonesville Manor Limited Partnership

I have audited the accompanying balance sheets of Jonesville Manor Limited Partnership as of December 31, 2001 and 2000, 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 generally accepted auditing standards 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 Jonesville Manor Limited Partnership as of December 31, 2001 and 2000, 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, 2002 on my consideration of Jonesville Manor 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
Certified Public Accountant

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Blacksburg Terrace Limited Partnership

I have audited the accompanying balance sheets of Blacksburg Terrace Limited Partnership as of December 31, 2001 and 2000, 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 generally accepted auditing standards 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 Blacksburg Terrace Limited Partnership as of December 31, 2001 and 2000, 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, 2002 on my consideration of Blacksburg Terrace 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
Certified Public Accountants

February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Newport Village Limited Partnership

I have audited the accompanying balance sheets of Newport Village Limited Partnership as of December 31, 2001 and 2000, 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 generally accepted auditing standards 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 Newport Village Limited Partnership as of December 31, 2001 and 2000, 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, 2002 on my consideration of Newport 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
Certified Public Accountants

February 15, 2002

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Austin, TX 78759
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FAX: 512-338-5395

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Zapata Housing, Ltd.-(A Texas Limited Partnership) as of December 31, 2001 and 2000, 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 Generally Accepted Auditing Standards and 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 Zapata Housing, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2002, on our consideration of the internal control structure of Zapata Housing, Ltd.- (A Texas Limited Partnership) and a report dated January 24, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 24, 2002

Lou Ann Montey and Associates, P.C.
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Austin, TX 78759
PHONE: 512-338-0044
FAX: 512-338-5395

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Sinton Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, 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 Generally Accepted Auditing Standards and 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 Sinton Retirement, Ltd.- (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2002, on our consideration of the internal control structure of Sinton Retirement, Ltd.- (A Texas Limited Partnership) and a report dated January 19, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 19, 2002

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7001 South 900 East, Suite 240
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FAX: 801-561-8693

INDEPENDENT AUDITORS' REPORT

TO THE PARTNERS
SMITHFIELD GREENBRIAR LIMITED PARTNERSHIP

We have audited the accompanying balance sheets of Smithfield Greenbriar Limited Partnership, as of December 31, 2001 and 2000 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 generally accepted auditing standards 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 statements 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 Smithfield Greenbriar Limited Partnership, as of December 31, 2001 and 2000 and the results of its operations, changes in partners' capital, and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 1, 2002 on our consideration of Smithfield Greenbriar Limited Partnership's internal control and 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 13 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Smithfield Greenbriar Limited 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/ Gubler and Carter, P.C.
Certified Public Accountants
Salt Lake City, Utah
February 1, 2002

Simmons and Clubb
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Boise, ID 83705
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FAX: 208-343-2381

INDEPENDENT AUDITORS' REPORT

To the Partners
Mountain Crest Limited Partnership
Boise, Idaho

We have audited the accompanying balance sheets of Mountain Crest Limited Partnership as of December 31, 2001 and 2000, 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 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 Mountain Crest Limited Partnership as of December 31, 2001 and 2000, 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 January 29, 2002, on our consideration of Mountain Crest Limited Partnership's internal controls and compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with the *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
January 29, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Eudora Senior Housing, L.P.:

We have audited the accompanying balance sheets of Eudora Senior Housing, L.P., RHS Project No. 18-023-481065040, D/B/A Pinecrest Apartments II (Partnership), as of December 31, 2001 and 2000, 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 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 Eudora Senior Housing, L.P., RHS Project No. 18-023-481065040, as of December 31, 2001 and 2000, 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 17, 2002 on our consideration of Eudora Senior Housing, L.P.'s internal control and a report dated January 17, 2002 on its compliance with laws, regulations and contracts. 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 this audit.

Berberich Trahan & Co., P.A.
Certified Public Accountants

Topeka, Kansas
January 15, 2002
Audit Principal: Virginia A. Powell
IA Federal ID Number: 48-1066439

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INDEPENDENT AUDITORS' REPORT

Partners
Spring Hill Housing, L.P., A Limited Partnership
D/B/A Spring Hill Housing II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Spring Hill Housing, L.P., A Limited Partnership, D/B/A Spring Hill Housing II as of December 31, 2001 and 2000, 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 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 Spring Hill Housing, L.P., A Limited Partnership, D/B/A Spring Hill Housing II as of December 31, 2001 and 2000, 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 7, 2002, 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
Certified Public Accountants

February 7, 2002

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FAX: 605-339-1306

INDEPENDENT AUDITORS' REPORT

The Partners
Sunchase II, Ltd.
Watertown, South Dakota

We have audited the accompanying balance sheets of **Sunchase II, Ltd.** (a limited partnership) as of December 31, 2001 and 2000, 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 **Sunchase II, Ltd.** as of December 31, 2001 and 2000, 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 24, 2002 on our consideration of **Sunchase II, Ltd.'s** internal control 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.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the financial statements of **Sunchase II, Ltd.** Such information has been subjected to the auditing procedures applied in the audits 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/ Eide Bailly LLP
Certified Public Accountants
Sioux Falls, South Dakota
January 24, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Courtyard, Ltd.
Huron, South Dakota

We have audited the accompanying balance sheets of **Courtyard, Ltd.** (a limited partnership) as of December 31, 2001 and 2000, 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 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 **Courtyard, Ltd.** as of December 31, 2001 and 2000, 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, 2002, on our consideration of **Courtyard, Ltd.'s** internal control over financial reporting and on 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements of **Courtyard, Ltd.** Such information has been subjected to the auditing procedures applied in the audits 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/ Eide Bailly LLP
Certified Public Accountants
Sioux Falls, South Dakota
January 28, 2002

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INDEPENDENT AUDITORS' REPORT

The Partners
Sunrise, Ltd.
Yankton, South Dakota

We have audited the accompanying balance sheets of **Sunrise Ltd.** (a limited partnership) as of December 31, 2001 and 2000, 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 **Sunrise, Ltd.** as of December 31, 2001 and 2000, 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 24, 2002 on our consideration of **Sunrise, Ltd.'s** internal control over financial reporting and on 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements of **Sunrise, Ltd.** 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/ Eide Bailly LLP
Certified Public Accountants
Sioux Falls, South Dakota
January 24, 2002

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INDEPENDENT AUDITORS' REPORT

To the General Partners of
Southwood, L.P.:

We have audited the accompanying balance sheets of Southwood, L.P. as of December 31, 2001 and 2000, 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 Southwood, L.P. as of December 31, 2001 and 2000, 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 14, 2002, 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 14, 2002

Bob T. Robinson
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Jackson, MS 39216
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FAX: 601-982-3876

INDEPENDENT AUDITORS' REPORT

To the Partners
Hazlehurst Manor, L.P.

I have audited the accompanying balance sheet of Hazlehurst Manor L.P. (RD Case Number 28-015-640803081), as of December 31, 2001 and 2000, and the related statements of income, partners' equity 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 audit.

I conducted my 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 I 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. 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 Hazlehurst Manor, L.P. as of December 31, 2001 and 2000 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, I have also issued a report dated February 1, 2002 on my consideration of the partnership's internal control structure and a report dated February 1, 2002 on its compliance with laws and regulations.

My audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information is presented for the purposes of additional analysis and is not a required part of the financial statements of Hazlehurst Manor, L.P. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The annual budgets of Hazlehurst Manor, L.P. included in the accompanying prescribed form RD1930-7 (Rev 10-96) have not been compiled or examined by me, and I do not express any form of assurance on them. In addition they may contain departures from guidelines for presentation of prospective financial information established by the American Institute of Certified Public Accountants. The actual results may vary from the presentation and the variations may be material.

/s/ Bob T. Robinson
Certified Public Accountant

February 1, 2002
Jackson, Mississippi

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INDEPENDENT AUDITORS' REPORT

To the Partners
Lakeshore Apartments Ltd.
Tuskegee, Alabama

We have audited the accompanying balance sheets of Lakeshore Apartments, Ltd. a limited partnership, RHS Project No.: 01-044-631014228 as of December 31, 2001 and 2000, 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 Lakeshore Apartments, Ltd., RHS Project No.: 01-044-631014228 as of December 31, 2001 and 2000, 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 9 through 12 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, 2001 and 2000, 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 11, 2002 on our consideration of Lakeshore Apartments, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 11, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Countrywood Apartments Ltd.
Centerville, Alabama

We have audited the accompanying balance sheets of Countrywood Apartments, Ltd. a limited partnership, RHS Project No.: 01-004-630943678 December 31, 2001 and 2000, 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 Countrywood Apartments, Ltd. RHS Project No.: 01-004-630943678 as of December 31, 2001 and 2000, 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, 2001 and 2000, 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 28, 2002 on our consideration of Countrywood Apartments, Ltd.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

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

Gadsden, Alabama
February 28, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Wildwood Apartments Ltd.
Pineville, Louisiana

We have audited the accompanying balance sheets of Wildwood Apartments, Ltd., a limited partnership, RHS Project No.: 22-040-630954515 as of December 31, 2001 and 2000, 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 Wildwood Apartments, Ltd., RHS Project No.: 22-040-630954515 as of December 31, 2001 and 2000, 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, 2001 and 2000, 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 21, 2002 on our consideration of Wildwood Apartments, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 21, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Meadowcrest Apartments Ltd.
Luverne, Alabama

We have audited the accompanying balance sheets of Meadowcrest Apartments, Ltd. a limited partnership, RHS Project No.: 01-021-631047203 as of December 31, 2001 and 2000, and the related statements of operations, partners' deficit and 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 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 Meadowcrest Apartments, Ltd. RHS Project No.: 01-021-631047203 as of December 31, 2001 and 2000, 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, 2001 and 2000, 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 11, 2002 on our consideration of Meadowcrest Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 11, 2002

Turk & Giles, CPAs, P.C.
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Joplin, MO 64803
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INDEPENDENT AUDITORS' REPORT

To the Partners
Seneca Apartments, L.P
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Seneca Apartments, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Seneca Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Seneca Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Carthage Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Carthage Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Carthage Seniors, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Carthage Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Southwest City Apartments, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Southwest City Apartments, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Southwest City Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Southwest City Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Pineville Apartments, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Pineville Apartments, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Pineville Apartments, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Pineville Apartments, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Monett Seniors, L.P
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Monett Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Monett Seniors, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Monett Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Columbus Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Columbus Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Columbus Seniors, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Columbus Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming and opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners
Arma Seniors, L.P.
Joplin, Missouri 64804

We have audited the accompanying balance sheets of Arma Seniors, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements 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 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 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 Arma Seniors, L.P. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 19, 2002 on our consideration of Arma Seniors, L.P.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 14-16 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/ Turk & Giles, CPAs, P.C.
Certified Public Accountants

February 19, 2002

Suellen Doubet, CPA
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Wagoner, OK 74467
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INDEPENDENT AUDITORS' REPORT

To the Partners
of Yorkshire Retirement Village:

I have audited the accompanying balance sheets of Yorkshire Retirement Village (an Oklahoma Limited Partnership) as of December 31, 2001 and 2000, and the related statement of operations, partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides 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 Yorkshire Retirement Village as of December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, "The Schedule of Maintenance Expenses" has been subjected to the audit procedures applied in the audit of the basic financial statements and, in my 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, I have also issued a report dated March 24, 2002 on my consideration of Yorkshire Retirement Village's compliance and on internal control over financial reporting. 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 my audit.

/s/ Suellen Doubet, CPA
Wagoner, OK 74467

March 24, 2002

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FAX: 207-764-6362

INDEPENDENT AUDITORS' REPORT

Rural Development Group
d/b/a Ashland Estates
Caribou, Maine

To the Partners

We have audited the accompanying balance sheets of Rural Development Group, d/b/a Ashland Estates, (a limited partnership) as of December 31, 2001 and 2000, 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 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 Rural Development Group, d/b/a Ashland Estates as of December 31, 2001 and 2000, 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 our report dated January 28, 2002 on our consideration of Rural Development Group, d/b/a Ashland 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.

/s/ Chester M. Kearney
Certified Public Accountants

Presque Isle, Maine
January 28, 2002

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FAX: 803-252-6171

INDEPENDENT AUDITORS' REPORT

To the Partners
Scarlett Oaks Limited Partnership
Lexington, South Carolina

I have audited the accompanying balance sheet of Scarlett Oaks Limited Partnership as of December 31, 2001 and 2000, and the related statements of income, expense and partners' equity and cash flows for the years then ended. These financial statements are the responsibility of Scarlett Oaks Limited Partnership's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. 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 Scarlett Oaks Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated February 25, 2002, on my consideration of Scarlett Oaks Limited Partnership's internal control and a report dated February 25, 2002 on its compliance with laws and regulations.

This report is intended for the information of management and the Department of Agriculture, Rural Development. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,
/s/ Richard A. Strauss
Certified Public Accountants

Columbia, South Carolina
February 25, 2002

David G. Pelliccione, C.P.A., P.C.
340 Eisenhower Drive, Suite 220
Savannah, GA 31406
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INDEPENDENT AUDITORS' REPORT

To The Partners
Brooks Hill Apartments, L.P.

We have audited the accompanying balance sheet of BROOKS HILL APARTMENTS, L.P., as of December 31, 2001 and 2000 and the related statement 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 audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States and ***Government Auditing Standards*** issued by the Comptroller General of the United States. These 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 BROOKS HILL APARTMENTS, L.P., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles of the United States.

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2002, on our consideration of BROOKS HILL 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 in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of BROOKS HILL APARTMENTS, L.P., taken as a whole. The supplemental information on pages 9 through 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 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/ David G. Pelliccione, C.P.A., P.C.
Certified Public Accountants
Savannah, Georgia
February 15, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Village Apartments of Seymour II, L.P.
(A Limited Partnership)

We have audited the balance sheets of Village Apartments of Seymour II, L.P. (a limited partnership) as of December 31, 2001 and 2000, and the related statements of operations, changes in partnership capital (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, 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 and the audit program 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 Village Apartments of Seymour II, L.P. at December 31, 2001 and 2000, and the results of its operations, changes in partnership capital (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 11, 2002 on our consideration of the partnership's internal control over financial reporting and our tests of its compliance with 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.

Respectfully submitted,
/s/ K.B. Parrish & Company LLP
Certified Public Accountants

Indianapolis, Indiana
January 11, 2002

Scheiner, Mister & Grandizio, P.A.
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INDEPENDENT AUDITORS' REPORT

To the Partners
Frazer Elderly Limited Partnership
Reisterstown, Maryland

We have audited the accompanying balance sheets of Frazer Elderly Limited Partnership as of December 31, 2001 and 2000, and the related statements 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 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 Frazer Elderly Limited Partnership as of December 31, 2001 and 2000, and the results of its operations, changes in partners' capital, 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 15, 2002 on our consideration of the Partnership's internal control and a report dated January 15, 2002 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 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 shown on pages 9 - 9A 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/ Scheiner, Mister & Grandizio, P.A.
Certified Public Accountants
January 15, 2002

Fentress, Brown, CPAs & Associates, LLC
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Columbus, OH 43235-5421
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INDEPENDENT AUDITORS' REPORT

To the Partners of
Bryan Senior Village Limited Partnership
DBA Plaza Senior Village Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Bryan Senior Village Limited Partnership (a limited partnership), DBA Plaza Senior Village Apartments, Case No. 41-086-341561720, as of December 31, 2001 and 2000, 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, *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 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 Bryan Senior Village Limited Partnership, DBA Plaza Senior Village Apartments, Case No. 41-086-341561720, at December 31, 2001 and 2000, 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 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, 2002, on our consideration of Bryan Senior Village Limited Partnership's internal control and a report dated January 30, 2002, on its 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, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Brubaker Square Limited Partnership
DBA Brubaker Square Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Hillsboro, Ohio

We have audited the accompanying balance sheets of Brubaker Square Limited Partnership (a limited partnership), DBA Brubaker Square Apartments, Case No. 41-092-341561718, as of December 31, 2001 and 2000, 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, *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 Brubaker Square Limited Partnership, DBA Brubaker Square Apartments, Case No. 41-092-341561718, at December 31, 2001 and 2000, 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 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, 2002, on our consideration of Brubaker Square Limited Partnership's internal control and a report dated January 30, 2002, on its 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, 2002

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Villa Allegra Limited Partnership
DBA Villa Allegra Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Findlay, Ohio

We have audited the accompanying balance sheets of Villa Allegra Limited Partnership (a limited partnership), DBA Villa Allegra Apartments, Case No. 41-054-341561716, as of December 31, 2001 and 2000, 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 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, 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 Villa Allegra Limited Partnership, DBA Villa Allegra Apartments, Case No. 41-054-341561716, at December 31, 2001 and 2000, 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 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, 2002, on our consideration of Villa Allegra Limited Partnership's internal control and a report dated January 30, 2002, on its 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, 2002

Fentress, Brown, CPAs & Associates, LLC
8001 Ravines Edge Court, Suite 112
Columbus, OH 43235-5421
PHONE: 614-825-0011
FAX: 614-825-0014

INDEPENDENT AUDITORS' REPORT

To the Partners of
Logan Place Limited Partnership
DBA Logan Place Apartments
Mansfield, Ohio

Rural Housing Service
Servicing Office
Marietta, Ohio

We have audited the accompanying balance sheets of Logan Place Limited Partnership (a limited partnership), DBA Logan Place Apartments, Case No. 41-037-341643639, as of December 31, 2001 and 2000, 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, *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 Logan Place Limited Partnership, DBA Logan Place Apartments, Case No. 41-037-341643639, at December 31, 2001 and 2000, 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 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, 2002, on our consideration of Logan Place Limited Partnership's internal control and a report dated January 30, 2002, on its 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.

Fentress, Brown, CPA’s & Associates, LLC
Certified Public Accountants

Columbus, Ohio
January 30, 2002

Duggan, Joiner & Company
334 N.W. Third Avenue
Ocala, FL 34475
PHONE: 352-732-0171
FAX: 352-867-1370

INDEPENDENT AUDITORS' REPORT

To the Partners
Flagler Beach Villas RRH, Ltd.

We have audited the accompanying basic financial statements of Flagler Beach Villas RRH, Ltd., as of and for the years ended December 31, 2001 and 2000, 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 Flagler Beach Villas RRH, Ltd. as of December 31, 2001 and 2000 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 31, 2002 on our consideration of Flagler Beach Villas RRH, 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 nonaccounting 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 31, 2002

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Elkhart Apartments Limited
700 South Palestine
Athens, Texas 75751

We have audited the accompanying Balance Sheet of the Elkhart Apartments Limited as of December 31, 2001 and 2000, 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 the Elkhart Apartments Limited'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 Elkhart Apartments Limited as of December 31, 2001 and 2000, 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 20, 2002 on our consideration of the Elkhart Apartments Limited'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 Elkhart Apartments Limited, taken as a whole. The accompanying supplemental letter 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
February 20, 2002

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Balance Sheet of South Timber Ridge Apartments, Ltd. as of December 31, 2001 and 2000, 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 South Timber Ridge 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 South Timber Ridge Apartments, Ltd. as of December 31, 2001 and 2000, 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 March 12, 2002 on our consideration of South Timber Ridge 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 South Timber Ridge Apartments, Ltd., taken as a whole. The accompanying supplemental letter 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 Accountant
March 12, 2002

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Heritage Drive South, Limited
700 South Palestine
Athens, Texas 75751

We have audited the accompanying Balance Sheet of Heritage Drive South, Limited as of December 31, 2001 and 2000, 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 Heritage Drive South, Limited'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 Heritage Drive South, Limited as of December 31, 2001 and 2000, 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 25, 2002 on our consideration of Heritage Drive South, Limited'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 Heritage Drive South, Limited, 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
February 25, 2002

Miller, Mayer, Sullivan & Stevens LLP
2365 Harrodsburg Rd.
Lexington, KY 40504-3399
PHONE: 859-223-3095
FAX: 859-223-2143

INDEPENDENT AUDITORS' REPORT

To the Partners	Rural Development
Goodwater Falls, Ltd.	London, Kentucky

We have audited the accompanying balance sheets of Goodwater Falls, Ltd., (a limited partnership) Case No. 20-067-621424606, as of December 31, 2001 and 2000 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 the standards for 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 Goodwater Falls, Ltd. as of December 31, 2001 and 2000, 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, 2002 on our consideration of Goodwater Falls, 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 audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental data included in this report 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 presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ Miller, Mayer, Sullivan & Stevens, LLP
Certified Public Accountants
Lexington, Kentucky
February 1, 2002

Lou Ann Montey and Associates, P.C.
8400 N. Mopac Expressway, Suite 304
Austin, TX 78759
PHONE 512-338-0044
FAX 512-338-5395

INDEPENDENT AUDITORS' REPORT

To The Partners
Frankston Retirement, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Frankston Retirement Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, 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 audit in accordance with Generally Accepted Auditing Standards and 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 presents fairly, in all material respects, the financial position of Frankston Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the year then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 21, 2002, on our consideration of the internal control structure of Frankston Retirement, Ltd. - (A Texas Limited Partnership) and a report dated January 21, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 21, 2002

Lou Ann Montey and Associates, P.C.
8400 N. Mopac Expressway, Suite 304
Austin, TX 78759
PHONE 512-338-0043154
FAX 512-338-5395

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Wallis Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, 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 Generally Accepted Auditing Standards and 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 presents fairly, in all material respects, the financial position of Wallis Housing, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2002, on our consideration of the internal control structure of Wallis Housing, Ltd. - (A Texas Limited Partnership) and a report dated January 23, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 23, 2002

Lou Ann Montey and Associates, P.C.
8400 N. Mopac Expressway, Suite 304
Austin, TX 78759
PHONE 512-338-0044
FAX 512-338-5395

INDEPENDENT AUDITORS' REPORT

To The Partners
Menard Retirement, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Menard Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000 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 audit.

We conducted our audits in accordance with Generally Accepted Auditing Standards and 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 presents fairly, in all material respects, the financial position of Menard Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 22, 2002, on our consideration of the internal control structure of Menard Retirement, Ltd. - (A Texas Limited Partnership) and a report dated January 22, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 22, 2002

Lou Ann Montey and Associates, P.C.
8400 N. Mopac Expressway, Suite 304
Austin, TX 78759
PHONE 512-338-0044
FAX 512-338-5395

INDEPENDENT AUDITORS' REPORT

To The Partners
Sinton Retirement, Ltd. - (A Texas Limited Partnership)
Burnet, Texas

We have audited the accompanying balance sheets of Sinton Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000 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 audit.

We conducted our audits in accordance with Generally Accepted Auditing Standards and 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 presents fairly, in all material respects, the financial position of Sinton Retirement, Ltd. - (A Texas Limited Partnership) as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with Generally Accepted Accounting Principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2002, on our consideration of the internal control structure of Sinton Retirement, Ltd. - (A Texas Limited Partnership) and a report dated January 19, 2002, on its compliance with laws and regulations.

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

Austin, Texas
January 19, 2002

Item 9. Disagreements on Accounting and Financial Disclosures

None.

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 58, 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 MBA degree from Columbia University (1968) and a BS 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 46, 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.

Sandra L. Furey, age 40, is Secretary, Treasurer. Ms. Furey has been employed by Raymond James & Associates, Inc. since 1980 and currently serves as Closing Administrator for the Gateway Tax Credit Funds.

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, 2002.

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 15 to 18 of the Prospectus under the caption "Management Compensation", which is incorporated herein by reference.

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 Payable to Project Partnerships represents unpaid capital contributions to the Project Partnerships and will be paid after certain performance criteria are met. Such contributions are in turn payable to the general partner of the Project Partnerships.

For the years ended March 31, 2002, 2001 and 2000 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

Asset Management Fee - The Managing General Partner is entitled to be paid an annual asset management fee equal to 0.25% 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.

	2002	2001	2000
Series 2	$ 68,197	$ 68,361	$ 68,511
Series 3	62,892	63,104	63,301
Series 4	77,474	77,661	77,832
Series 5	95,755	96,008	96,241
Series 6	105,753	106,125	106,486
Total	$ 410,071	$ 411,259	$ 412,371

General and Administrative Expenses - The Managing General Partner is reimbursed for general and administrative expenses of Gateway on an accountable basis. This expense is included in the Statements of Operations.

	2002	2001	2000
Series 2	$ 11,737	$ 9,149	$ 8,181
Series 3	12,271	9,565	8,552
Series 4	15,471	12,060	10,779
Series 5	19,205	14,972	13,386
Series 6	20,272	15,803	14,130
Total	$ 78,956	$ 61,549	$ 55,028

PART IV

Item 14. 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. 33-31821 and amendments and supplements thereto previously filed with the Securities and Exchange Commission.

Table Number	
1.1	Form of Dealer Manager Agreement, including Soliciting Dealer Agreement
1.2	Escrow Agreement between Gateway Tax Credit Fund II Ltd. and Southeast Bank, NA
3.1	The form of Partnership Agreement of the Partnership is included as Exhibit "A" to the Prospectus
3.1.1	Certificate of Limited Partnership of Gateway Tax Credit Fund II Ltd.
3.1.2	Amendment to Certificate of Limited Partnership of Gateway Tax Credit Fund II 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 of Limited Partnership of Nowata Properties, An Oklahoma Limited Partnership
3.5	Amended and Restated Agreement of Limited Partnership of Poteau Properties II, An Oklahoma Limited Partnership
3.6	Amended and Restated Agreement of Limited Partnership of Sallisaw Properties, An Oklahoma Limited Partnership
3.7	Amended and Restated Agreement of Limited Partnership of Waldron Properties, An Arkansas Limited Partnership
3.8	Amended and Restated Agreement of Limited Partnership of Roland Properties II, An Oklahoma Limited Partnership
3.9	Amended and Restated Agreement of Limited Partnership of Stilwell Properties, An Oklahoma Limited Partnership
3.10	Amended and Restated Agreement of Limited Partnership of Birchwood Apartments Limited Partnership
3.11	Amended and Restated Agreement of Limited Partnership of Sunchase II, Ltd.
3.12	Amended and Restated Agreement of Limited Partnership of Hornellsville Apartments
3.13	Amended and Restated Agreement of Limited Partnership of CE McKinley II Limited Partnership
3.14	Amended and Restated Agreement of Limited Partnership of Hartwell Family, Ltd., L.P.
3.15	Amended and Restated Agreement of Limited Partnership of Deerfield II Ltd., L.P.
3.16	Amended and Restated Agreement of Limited Partnership of Claxton Elderly, Ltd., L.P.
3.17	Amended and Restated Agreement of Limited Partnership of Inverness Club, Ltd., L.P.
3.18	Amended and Restated Agreement of Limited Partnership of Lake Park Ltd., L.P.
3.19	Amended and Restated Agreement of Limited Partnership of Lakeland Elderly Apartments, Ltd., L.P.
3.20	Amended and Restated Agreement of Limited Partnership of Mt. Vernon Elderly Housing, Ltd., L.P.
3.21	Amended and Restated Agreement of Limited Partnership of

Pearson Elderly Housing, Ltd., L.P.

3.22 Amended and Restated Agreement of Limited Partnership of Woodland Terrace Apartments, Ltd., L.P.

3.23 Amended and Restated Agreement of Limited Partnership of Richland Elderly Housing, Ltd., L.P.

3.24 Amended and Restated Agreement of Limited Partnership of Lakeshore Apartments Limited Partnership

3.25 Amended and Restated Agreement of Limited Partnership of Lewiston Limited Partnership

3.26 Amended and Restated Agreement of Limited Partnership of Springwood Apartments Limited Partnership

3.27 Amended and Restated Agreement of Limited Partnership of Cherrytree Apartments Limited Partnership

3.28 Amended and Restated Agreement of Limited Partnership of Charleston Properties, An Arkansas Limited Partnership

3.29 Amended and Restated Agreement of Limited Partnership of Sallisaw Properties II, An Oklahoma Limited Partnership

3.30 Amended and Restated Agreement of Limited Partnership of Pocola Properties, An Oklahoma Limited Partnership

3.31 Amended and Restated Agreement of Limited Partnership of Prairie Apartments Limited Partnership

3.32 Amended and Restated Agreement of Limited Partnership of Manchester Housing, Ltd., L.P.

3.33 Amended and Restated Agreement of Limited Partnership of Sylacauga Heritage Apartments, Ltd.

3.34 Amended and Restated Agreement of Limited Partnership of Durango C.W.W. Limited Partnership

3.35 Amended and Restated Agreement of Limited Partnership of Alsace Village Limited Partnership

3.36 Amended and Restated Agreement of Limited Partnership of Seneca Apartments, L.P.

3.37 Amended and Restated Agreement of Limited Partnership of Westville Properties, a Limited Partnership

3.38 Amended and Restated Agreement of Limited Partnership of Stilwell Properties II, Limited Partnership

3.39 Amended and Restated Agreement of Limited Partnership of Wellsville Senior Housing, L.P.

3.40 Amended and Restated Agreement of Limited Partnership of Spring Hill Senior Housing, L.P.

3.41 Amended and Restated Agreement of Limited Partnership of Eudora Senior Housing, L.P.

3.42 Amended and Restated Agreement of Limited Partnership of Smithfield Greenbriar Limited Partnership

3.43 Amended and Restated Agreement of Limited Partnership of Tarpon Heights Apartments, A Louisiana Partnership in Commendam

3.44 Amended and Restated Agreement of Limited Partnership of Oaks Apartments, A Louisiana Partnership in Commendam

3.45 Amended and Restated Agreement of Limited Partnership of Countrywood Apartments, Limited

3.46 Amended and Restated Agreement of Limited Partnership of Weston Apartments

3.47 Amended and Restated Agreement of Limited Partnership of Wildwood Apartments, Limited

3.48 Amended and Restated Agreement of Limited Partnership of Hopkins Properties, Limited

3.49 Amended and Restated Agreement of Limited Partnership of Hancock Properties, Limited

3.50 Amended and Restated Agreement of Limited Partnership of Southwood, L.P.

3.51 Amended and Restated Agreement of Limited Partnership of Belmont Senior Apts., Ltd.

3.52 Amended and Restated Agreement of Limited Partnership of Elkhart Apts., Ltd.

3.53 Amended and Restated Agreement of Limited Partnership of Bryan Senior Village Limited Partnership

3.54 Amended and Restated Agreement of Limited Partnership of Brubaker Square Limited Partnership

3.55 Amended and Restated Agreement of Limited Partnership of Villa Allegra Limited Partnership

3.56 Amended and Restated Agreement of Limited Partnership of Heritage Villas, L.P.

3.57	Amended and Restated Agreement of Limited Partnership of Logansport Seniors Apts., a Louisiana Partnership Commendam
3.58	Amended and Restated Agreement of Limited Partnership of Wynnwood Common Associates
3.59	Amended and Restated Agreement of Limited Partnership of Piedmont Development Company of Lamar County, Ltd., (L.P.)
3.60	Amended and Restated Agreement of Limited Partnership of Sonora Seniors Apts., Ltd.
3.61	Amended and Restated Agreement of Limited Partnership of Fredericksburg Seniors, Ltd.
3.62	Amended and Restated Agreement of Limited Partnership of Ozona Seniors, Ltd.
3.63	Amended and Restated Agreement of Limited Partnership of Brackettville Seniors, Ltd.
3.64	Amended and Restated Agreement of Limited Partnership of Timpson Seniors Apartments, Ltd.
3.65	Amended and Restated Agreement of Limited Partnership of Chestnut Apartments Limited Partnership
3.66	Amended and Restated Agreement of Limited Partnership of Jasper Villas Apartments Limited Partnership
3.67	Amended and Restated Agreement of Limited Partnership of Norton Green Limited Partnership
3.68	Amended and Restated Agreement of Limited Partnership of Jonesville Manor Limited Partnership
3.69	Amended and Restated Agreement of Limited Partnership of Edmonton Senior, Ltd.
3.70	Amended and Restated Agreement of Limited Partnership of Owingsville Senior, Ltd.
3.71	Amended and Restated Agreement of Limited Partnership of Courtyard, Ltd.
3.72	Amended and Restated Agreement of Limited Partnership of Rural Development Group
3.73	Amended and Restated Agreement of Limited Partnership of Williston Properties, A Limited Partnership
3.74	Amended and Restated Agreement of Limited Partnership of St. George Properties, A Limited Partnership
3.75	Amended and Restated Agreement of Limited Partnership of Village Apartments of St. Joseph II Limited Partnership
3.76	Amended and Restated Agreement of Limited Partnership of Village Apartments of Effingham Limited Partnership
3.77	Amended and Restated Agreement of Limited Partnership of Village Apartments of Seymour II, L.P.
3.78	Amended and Restated Agreement of Limited Partnership of Country Place Apartments - Portland II, Ltd.
3.79	Amended and Restated Agreement of Limited Partnership of Country Place Apartments - Georgetown Limited Partnership
3.80	Amended and Restated Agreement of Limited Partnership of South Timber Ridge Apts., Ltd.
3.81	Amended and Restated Agreement of Limited Partnership of Cloverdale RRH Assoc.
3.82	Amended and Restated Agreement of Limited Partnership of Shannon Apartments Limited Partnership
3.83	Amended and Restated Agreement of Limited Partnership of Spruce Apartments Limited Partnership
3.84	Amended and Restated Agreement of Limited Partnership of Carthage Senior, L.P.
3.85	Amended and Restated Agreement of Limited Partnership of Ehrhardt Place Limited Partnership
3.86	Amended and Restated Agreement of Limited Partnership of Country Place Apartments - Coal City, Limited Partnership
5.1O	Opinion regarding legality of Honigman Miller Schwartz and Cohn
5.1.1	Opinion regarding legality of Riden, Earle & Kiefner, PA
8.1	Tax opinion and consent of Honigman Miller Schwartz and Cohn
8.1.1	Tax opinion and consent of Riden, Earle & Kiefner, PA
24.1	The consent of Spence, Marston & Bunch
24.2	The consent of Spence, Marston, Bunch, Morris Co. appears on page II-7
24.3	The consent of Goddard, Henderson, Godbee & Nichols, PC with respect to the financial statements of Lake Park Apartments, Ltd.
24.4	The consent of Goddard, Henderson, Godbee & Nichols, PC with

	respect to the financial statements of Richland Elderly Housing, Ltd.
24.5	The consent of Goddard, Henderson, Godbee & Nichols, PC with respect to the financial statements of Pearson Elderly Housing, Ltd.
24.6	The consent of Goddard, Henderson, Godbee & Nichols, PC with respect to Mt. Vernon Elderly Housing, Ltd.
24.7	The consent of Goddard, Henderson, Godbee & Nichols, PC with respect to the financial statements of Woodland Terrace Apartments, Ltd.
24.8	The consent of Goddard, Henderson, Godbee & Nichols, PC with respect to the financial statements of Lakeland Elderly Housing, Ltd.
24.9	The consent of Grana & Teibel, PC with respect to Lewiston LP
24.10	The consent of Beall & Company with respect to Nowata Properties
24.11	The consent of Beall & Company with respect to Sallisaw Properties
24.12	The consent of Beall & Company with respect to Poteau Properties II
24.13	The consent of Beall & Company with respect to Charleston Properties
24.14	The consent of Beall & Company with respect to Roland Properties II
24.15	The consent of Beall & Company with respect to Stilwell Properties
24.16	The consent of Donald W. Causey, CPA, PC
24.17	The consent of Charles Bailly & Company, CPA
24.18	The consent of Honigman Miller Schwartz and Cohn to all references made to them in the Prospectus included as a part of the Registration Statement of Gateway Tax Credit Fund II Ltd., and all amendments thereto
24.18.1	The consent of Riden, Earle, & Kiefner, PA to all references made to them in the Prospectus included as a part of the Registration Statement of Gateway Tax Credit Fund II Ltd., and all amendments thereto is included in Exhibit 8.1.1.
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

b.Reports filed on Form 8-K - NONE

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 2
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Claxton Elderly	Claxton, GA	24	$654,836
Deerfield II	Douglas, GA	24	698,317
Hartwell Family	Hartwell, GA	24	701,746
Cherrytree Apts.	Albion, PA	33	1,193,657
Springwood Apts.	Westfield, NY	32	1,246,373
Lakeshore Apts.	Tuskegee, AL	34	1,048,424
Lewiston	Lewiston, NY	25	994,851
Charleston	Charleston, AR	32	838,904
Sallisaw II	Sallisaw, OK	47	1,191,103
Pocola	Pocola, OK	36	982,353
Inverness Club	Inverness, FL	72	2,972,269
Pearson Elderly	Pearson, GA	25	625,595
Richland Elderly	Richland, GA	33	863,115
Lake Park	Lake Park, GA	48	1,478,242
Woodland Terrace	Waynesboro, GA	30	883,129
Mt. Vernon Elderly	Mt. Vernon, GA	21	571,164
Lakeland Elderly	Lakeland, GA	29	776,790
Prairie Apartments	Eagle Butte, SD	21	971,154
Sylacauga Heritage	Sylacauga, AL	44	1,378,671
Manchester Housing	Manchester, GA	49	1,449,516
Durango C.W.W.	Durango, CO	24	1,029,067
Columbus Sr.	Columbus, KS	16	434,660
			$22,983,936

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 2
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Claxton Elderly	$ 33,400	$ 766,138	$ 0
Deerfield II	33,600	820,962	0
Hartwell Family	22,700	836,998	0
Cherrytree Apts.	62,000	1,376,297	1,339
Springwood Apts.	21,500	1,451,283	40,089
Lakeshore Apts.	28,600	1,238,749	10,992
Lewiston	38,400	1,178,185	17,350
Charleston	16,000	1,060,098	0
Sallisaw II	37,500	1,480,089	0
Pocola	22,500	1,223,370	0
Inverness Club	205,500	3,111,565	179,759
Pearson Elderly	15,000	767,590	(1,130)
Richland Elderly	31,500	1,027,512	(1,141)
Lake Park	88,000	1,710,725	(4,183)
Woodland Terrace	36,400	1,047,107	(3,816)
Mt. Vernon Elderly	21,750	680,437	(1,252)
Lakeland Elderly	28,000	930,574	(2,759)
Prairie Apartments	66,500	1,150,214	57,621
Sylacauga Heritage	66,080	1,648,081	47,691
Manchester Housing	36,000	1,746,076	(775)
Durango C.W.W.	140,250	1,123,454	43,965
Columbus Sr.	64,373	444,257	11,436
	$1,115,553	$26,819,761	$395,186

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 2

Apartment Properties	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Claxton Elderly	$ 33,400	$ 766,138	$ 799,538
Deerfield II	33,600	820,962	854,562
Hartwell Family	22,700	836,998	859,698
Cherrytree Apts.	62,000	1,377,636	1,439,636
Springwood Apts.	24,017	1,488,855	1,512,872
Lakeshore Apts.	28,600	1,249,741	1,278,341
Lewiston	38,400	1,195,535	1,233,935
Charleston	16,000	1,060,098	1,076,098
Sallisaw II	37,500	1,480,089	1,517,589
Pocola	22,500	1,223,370	1,245,870
Inverness Club	205,500	3,291,324	3,496,824
Pearson Elderly	15,000	766,460	781,460
Richland Elderly	31,500	1,026,371	1,057,871
Lake Park	88,000	1,706,542	1,794,542
Woodland Terrace	36,400	1,043,291	1,079,691
Mt. Vernon Elderly	21,750	679,185	700,935
Lakeland Elderly	28,000	927,815	955,815
Prairie Apartments	81,240	1,193,095	1,274,335
Sylacauga Heritage	66,080	1,695,772	1,761,852
Manchester Housing	36,000	1,745,301	1,781,301
Durango C.W.W.	140,250	1,167,419	1,307,669
Columbus Sr.	69,207	450,859	520,066
	$1,137,644	$27,192,856	$28,330,500

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
SERIES 2
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Claxton Elderly	$ 320,807	5-27.5
Deerfield II	344,621	5-27.5
Hartwell Family	353,767	5-27.5
Cherrytree Apts.	403,122	5-27.5
Springwood Apts.	459,762	5-40
Lakeshore Apts.	382,388	5-40
Lewiston	337,147	5-40
Charleston	501,703	5-25
Sallisaw II	681,411	5-25
Pocola	516,715	5-27.5
Inverness Club	1,300,659	5-27.5
Pearson Elderly	297,053	5-30
Richland Elderly	392,152	5-30
Lake Park	687,751	5-30
Woodland Terrace	403,019	5-30
Mt. Vernon Elderly	263,492	5-30
Lakeland Elderly	356,047	5-30
Prairie Apartments	401,579	5-40
Sylacauga Heritage	527,579	5-40
Manchester Housing	659,664	5-30
Durango C.W.W.	346,629	5-40
Columbus Sr.	215,653	5-27.5
	$10,152,720	

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
SERIES 3
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Poteau II	Poteau, OK	52	$ 1,295,495
Sallisaw	Sallisaw, OK	52	1,306,175
Nowata Properties	Oolagah, OK	32	853,217
Waldron Properties	Waldron, AR	24	636,736
Roland II	Roland, OK	52	1,304,922
Stilwell	Stilwell, OK	48	1,187,075
Birchwood Apts.	Pierre, SD	24	784,861
Hornellsville	Arkport, NY	24	890,362
Sunchase II	Watertown, SD	41	1,186,391
CE McKinley II	Rising Sun, MD	16	605,878
Weston Apartments	Weston, AL	10	273,170
Countrywood Apts.	Centreville, AL	40	1,193,596
Wildwood Apts.	Pineville, LA	28	845,422
Hancock	Hawesville, KY	12	362,196
Hopkins	Madisonville, KY	24	741,343
Elkhart Apts.	Elkhart, TX	54	1,131,898
Bryan Senior	Bryan, OH	40	1,071,335
Brubaker Square	New Carlisle, OH	38	1,111,052
Southwood	Savannah, TN	44	1,480,686
Villa Allegra	Celina, OH	32	893,399
Belmont Senior	Cynthiana, KY	24	759,179
Heritage Villas	Helena, GA	25	674,855
Logansport Seniors	Logansport, LA	32	893,674
			$21,482,917

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 3
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Poteau II	$ 76,827	$ 1,712,321	$ 0
Sallisaw	70,000	1,674,103	0
Nowata Properties	45,500	1,102,984	0
Waldron Properties	26,000	834,273	0
Roland II	70,000	1,734,010	0
Stilwell	37,500	1,560,201	0
Birchwood Apts.	116,740	885,923	70,312
Hornellsville	41,225	1,018,523	62,846
Sunchase II	113,115	1,198,373	66,428
CE McKinley II	11,762	745,635	69,486
Weston Apartments	0	339,144	805
Countrywood Apts.	55,750	1,447,439	61,693
Wildwood Apts.	48,000	1,018,897	19,823
Hancock	20,700	419,725	0
Hopkins	43,581	885,087	(1,412)
Elkhart Apts.	35,985	1,361,096	201,319
Bryan Senior	74,000	1,102,728	11,564
Brubaker Square	75,000	1,376,075	7,941
Southwood	15,000	1,769,334	16,677
Villa Allegra	35,000	1,097,214	18,408
Belmont Senior	43,600	891,543	0
Heritage Villas	21,840	801,128	1,791
Logansport Seniors	27,621	1,058,773	23,599
	$1,104,746	$26,034,529	$631,280

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 3

Apartment Properties	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Poteau II	$ 76,827	$ 1,712,321	$ 1,789,148
Sallisaw	70,000	1,674,103	1,744,103
Nowata Properties	45,500	1,102,984	1,148,484
Waldron Properties	26,000	834,273	860,273
Roland II	70,000	1,734,010	1,804,010
Stilwell	37,500	1,560,201	1,597,701
Birchwood Apts.	125,832	947,143	1,072,975
Hornellsville	41,225	1,081,369	1,122,594
Sunchase II	113,115	1,264,801	1,377,916
CE McKinley II	11,749	815,134	826,883
Weston Apartments	0	339,949	339,949
Countrywood Apts.	55,750	1,509,132	1,564,882
Wildwood Apts.	48,000	1,038,720	1,086,720
Hancock	20,700	419,725	440,425
Hopkins	43,581	883,675	927,256
Elkhart Apts.	159,682	1,438,718	1,598,400
Bryan Senior	74,000	1,114,292	1,188,292
Brubaker Square	75,000	1,384,016	1,459,016
Southwood	15,000	1,786,011	1,801,011
Villa Allegra	35,000	1,115,622	1,150,622
Belmont Senior	43,600	891,543	935,143
Heritage Villas	21,840	802,919	824,759
Logansport Seniors	27,621	1,082,372	1,109,993
	$1,237,522	$26,533,033	$27,770,555

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 3

Partnership	Accumulated Depreciation	Depreciable Life
Poteau II	$ 943,917	5-25
Sallisaw	892,905	5-25
Nowata Properties	579,856	5-25
Waldron Properties	438,232	5-25
Roland II	950,139	5-25
Stilwell	846,279	5-25
Birchwood Apts.	370,117	5-40
Hornellsville	529,902	5-27.5
Sunchase II	496,754	5-40
CE McKinley II	400,649	5-27.5
Weston Apartments	174,434	5-27.5
Countrywood Apts.	732,745	5-27.5
Wildwood Apts.	456,641	5-30
Hancock	175,114	5-27.5
Hopkins	368,683	5-27.5
Elkhart Apts.	711,408	5-25
Bryan Senior	599,840	5-27.5
Brubaker Square	674,125	5-27.5
Southwood	741,962	5-50
Villa Allegra	556,679	5-27.5
Belmont Senior	266,720	5-40
Heritage Villas	316,101	5-30
Logansport Seniors	290,330	5-40
	$12,513,532	

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 4
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Alsace Village	Soda Springs, ID	24	$ 634,756
Seneca Apartments	Seneca, MO	24	606,020
Eudora Senior	Eudora, KS	36	954,617
Westville	Westville, OK	36	855,647
Wellsville Senior	Wellsville, KS	24	645,071
Stilwell II	Stilwell, OK	52	1,283,469
Spring Hill Senior	Spring Hill, KS	24	694,131
Smithfield	Smithfield, UT	40	1,532,714
Tarpon Heights	Galliano, LA	48	1,238,455
Oaks Apartments	Oakdale, LA	32	829,071
Wynnwood Common	Fairchance, PA	34	1,365,285
Chestnut Apartments	Howard, SD	24	851,756
St. George	St. George, SC	24	750,867
Williston	Williston, SC	24	795,018
Brackettville Sr.	Brackettville, TX	32	818,492
Sonora Seniors	Sonora, TX	32	839,747
Ozona Seniors	Ozona, TX	24	628,860
Fredericksburg Sr.	Fredericksburg,TX	48	1,199,270
St. Joseph	St. Joseph, IL	24	824,553
Courtyard	Huron, SD	21	708,517
Rural Development	Ashland, ME	25	1,201,402
Jasper Villas	Jasper, AR	25	855,515
Edmonton Senior	Edmonton, KY	24	752,489
Jonesville Manor	Jonesville, VA	40	1,345,399
Norton Green	Norton, VA	40	1,336,222
Owingsville Senior	Owingsville, KY	22	703,467
Timpson Seniors	Timpson, TX	28	670,397
Piedmont	Barnesville, GA	36	1,039,445
S.F. Arkansas City	Arkansas City, KS	12	339,548
			$26,300,200

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 4
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Alsace Village	$ 15,000	$ 771,590	$ 37,015
Seneca Apartments	76,212	640,702	25,290
Eudora Senior	50,000	1,207,482	0
Westville	27,560	1,074,126	0
Wellsville Senior	38,000	772,971	(1)
Stilwell II	30,000	1,627,974	0
Spring Hill Senior	49,800	986,569	0
Smithfield	82,500	1,698,213	104,384
Tarpon Heights	85,000	1,408,434	0
Oaks Apartments	42,000	989,522	14,460
Wynnwood Common	68,000	1,578,814	32,204
Chestnut Apartments	57,200	977,493	35,758
St. George	22,600	915,400	1,655
Williston	25,000	959,345	18,255
Brackettville Sr.	28,600	963,366	50,297
Sonora Seniors	51,000	962,315	33,717
Ozona Seniors	40,000	719,843	42,246
Fredericksburg Sr.	45,000	1,357,563	41,689
St. Joseph	28,000	940,580	8,303
Courtyard	24,500	810,110	25,579
Rural Development	38,200	1,361,892	22,390
Jasper Villas	27,000	1,067,890	10,388
Edmonton Senior	40,000	866,714	0
Jonesville Manor	100,000	1,578,135	51,375
Norton Green	120,000	1,535,373	63,629
Owingsville Senior	28,000	820,044	5,250
Timpson Seniors	13,500	802,416	0
Piedmont	29,500	1,259,547	0
S.F. Arkansas City	16,800	395,228	0
	$1,298,972	$31,049,651	$623,883

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 4
Apartment Properties

	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Alsace Village	$ 15,000	$ 808,605	$ 823,605
Seneca Apartments	77,237	664,967	742,204
Eudora Senior	50,000	1,207,482	1,257,482
Westville	27,560	1,074,126	1,101,686
Wellsville Senior	38,000	772,970	810,970
Stilwell II	30,000	1,627,974	1,657,974
Spring Hill Senior	49,800	986,569	1,036,369
Smithfield	112,284	1,772,813	1,885,097
Tarpon Heights	85,000	1,408,434	1,493,434
Oaks Apartments	42,000	1,003,982	1,045,982
Wynnwood Common	81,233	1,597,785	1,679,018
Chestnut Apartments	63,800	1,006,651	1,070,451
St. George	22,600	917,055	939,655
Williston	25,000	977,600	1,002,600
Brackettville Sr.	28,600	1,013,663	1,042,263
Sonora Seniors	51,000	996,032	1,047,032
Ozona Seniors	40,000	762,089	802,089
Fredericksburg Sr.	45,000	1,399,252	1,444,252
St. Joseph	28,000	948,883	976,883
Courtyard	27,055	833,134	860,189
Rural Development	38,200	1,384,282	1,422,482
Jasper Villas	27,000	1,078,278	1,105,278
Edmonton Senior	40,000	866,714	906,714
Jonesville Manor	100,000	1,629,510	1,729,510
Norton Green	120,000	1,599,002	1,719,002
Owingsville Senior	28,000	825,294	853,294
Timpson Seniors	13,500	802,416	815,916
Piedmont	29,500	1,259,547	1,289,047
S.F. Arkansas City	16,800	395,228	412,028
	$1,352,169	$31,620,337	$32,972,506

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 4
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Alsace Village	$ 348,961	5-27.5
Seneca Apartments	348,555	5-27.5
Eudora Senior	499,867	5-27.5
Westville	451,812	5-27.5
Wellsville Senior	329,653	5-25
Stilwell II	685,567	5-27.5
Spring Hill Senior	459,252	5-25
Smithfield	488,891	5-40
Tarpon Heights	387,926	5-40
Oaks Apartments	275,341	5-40
Wynnwood Common	475,017	5-40
Chestnut Apartments	346,188	5-40
St. George	411,589	5-27.5
Williston	422,205	5-27.5
Brackettville Sr.	251,239	5-40
Sonora Seniors	262,812	5-40
Ozona Seniors	191,235	5-40
Fredericksburg Sr.	365,324	5-40
St. Joseph	394,520	5-27.5
Courtyard	323,899	5-27.5
Rural Development	602,327	5-27.5
Jasper Villas	322,046	5-40
Edmonton Senior	254,693	5-40
Jonesville Manor	678,537	5-27.5
Norton Green	692,846	5-27.5
Owingsville Senior	238,326	5-40
Timpson Seniors	237,897	5-40
Piedmont	365,804	5-27.5
S.F. Arkansas City	164,956	5-27.5
	$11,277,285	

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 5
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Seymour	Seymour, IN	37	$ 1,234,652
Effingham	Effingham, IL	24	800,619
S.F. Winfield	Winfield, KS	12	330,924
S.F.Medicine Lodge	Medicine Lodge,KS	16	452,074
S.F. Ottawa	Ottawa, KS	24	569,320
S.F. Concordia	Concordia, KS	20	553,238
Highland View	Elgin, OR	24	711,699
Carrollton Club	Carrollton, GA	78	2,670,795
Scarlett Oaks	Lexington, SC	40	1,383,559
Brooks Hill	Ellijay, GA	44	1,455,720
Greensboro	Greensboro, GA	24	729,909
Greensboro II	Greensboro, GA	33	900,078
Pine Terrace	Wrightsville, GA	25	724,063
Shellman	Shellman, GA	27	736,252
Blackshear	Cordele, GA	46	1,314,581
Crisp Properties	Cordele, GA	31	928,081
Crawford	Crawford, GA	25	741,887
Yorkshire	Wagoner, OK	60	2,076,101
Woodcrest	South Boston, VA	40	1,282,240
Fox Ridge	Russellville, AL	24	733,403
Redmont II	Red Bay, AL	24	692,394
Clayton	Clayton, OK	24	666,293
Alma	Alma, AR	24	730,604
Pemberton Village	Hiawatha, KS	24	635,530
Magic Circle	Eureka, KS	24	651,430
Spring Hill	Spring Hill, KS	36	1,123,006
Menard Retirement	Menard, TX	24	625,689
Wallis Housing	Wallis, TX	24	426,623
Zapata Housing	Zapata, TX	40	975,606
Mill Creek	Grove, OK	60	1,428,298
Portland II	Portland, IN	20	580,870
Georgetown	Georgetown, OH	24	738,200
Cloverdale	Chandler, TX	24	755,273
S. Timber Ridge	Cloverdale, IN	44	1,060,244
Pineville	Pineville, MO	12	318,736
Ravenwood	Americus, GA	24	724,266
			$32,462,257

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 5
Apartment Properties

Partnership	Cost At Acquisition: Land	Cost At Acquisition: Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Seymour	$ 59,500	$ 1,452,557	$ 5,645
Effingham	38,500	940,327	1,790
S.F. Winfield	18,000	382,920	1,482
S.F.Medicine Lodge	21,600	542,959	0
S.F. Ottawa	25,200	687,929	19,213
S.F. Concordia	28,000	658,961	5,465
Highland View	16,220	830,471	46,463
Carrollton Club	248,067	722,560	2,247,274
Scarlett Oaks	44,475	992,158	640,730
Brooks Hill	0	214,335	1,538,839
Greensboro	15,930	61,495	788,834
Greensboro II	21,330	92,063	975,271
Pine Terrace	14,700	196,071	674,415
Shellman	13,500	512,531	375,617
Blackshear	60,000	413,143	1,129,006
Crisp Properties	48,000	578,709	500,362
Crawford	16,600	187,812	703,300
Yorkshire	100,000	2,212,045	262,253
Woodcrest	70,000	842,335	662,441
Fox Ridge	39,781	848,996	1,164
Redmont II	25,000	814,432	1,164
Clayton	35,600	835,930	0
Alma	45,000	912,710	0
Pemberton Village	12,020	767,228	(2,523)
Magic Circle	22,660	749,504	51,479
Spring Hill	70,868	1,318,926	59,584
Menard Retirement	21,000	721,251	18,601
Wallis Housing	13,900	553,230	11,203
Zapata Housing	44,000	1,120,538	73,867
Mill Creek	28,000	414,429	1,299,240
Portland II	43,102	410,683	326,652
Georgetown	0	149,483	810,482
Cloverdale	40,000	583,115	339,800
S. Timber Ridge	43,705	1,233,570	31,601
Pineville	59,661	328,468	21,298
Ravenwood	14,300	873,596	13,100
	$1,418,219	$25,157,470	$13,635,112

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 5

Apartment Properties	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Seymour	$ 59,500	$ 1,458,202	$ 1,517,702
Effingham	38,500	942,117	980,617
S.F. Winfield	18,000	384,402	402,402
S.F.Medicine Lodge	21,600	542,959	564,559
S.F. Ottawa	25,200	707,142	732,342
S.F. Concordia	28,000	664,426	692,426
Highland View	16,220	876,934	893,154
Carrollton Club	248,068	2,969,833	3,217,901
Scarlett Oaks	44,475	1,632,888	1,677,363
Brooks Hill	77,500	1,675,674	1,753,174
Greensboro	15,930	850,329	866,259
Greensboro II	16,845	1,071,819	1,088,664
Pine Terrace	14,700	870,486	885,186
Shellman	13,500	888,148	901,648
Blackshear	60,000	1,542,149	1,602,149
Crisp Properties	48,000	1,079,071	1,127,071
Crawford	16,600	891,112	907,712
Yorkshire	100,788	2,473,510	2,574,298
Woodcrest	70,000	1,504,776	1,574,776
Fox Ridge	39,781	850,160	889,941
Redmont II	25,000	815,596	840,596
Clayton	35,600	835,930	871,530
Alma	45,000	912,710	957,710
Pemberton Village	12,020	764,705	776,725
Magic Circle	22,660	800,983	823,643
Spring Hill	70,868	1,378,510	1,449,378
Menard Retirement	21,000	739,852	760,852
Wallis Housing	13,900	564,433	578,333
Zapata Housing	46,323	1,192,082	1,238,405
Mill Creek	28,000	1,713,669	1,741,669
Portland II	15,000	765,437	780,437
Georgetown	50,393	909,572	959,965
Cloverdale	40,000	922,915	962,915
S. Timber Ridge	50,123	1,258,753	1,308,876
Pineville	66,221	343,206	409,427
Ravenwood	14,300	886,696	900,996
	$1,529,615	$38,681,186	$40,210,801

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 5

Partnership	Accumulated Depreciation	Depreciable Life
Seymour	$ 590,447	5-27.5
Effingham	376,111	5-27.5
S.F. Winfield	161,581	5-27.5
S.F.Medicine Lodge	206,004	5-27.5
S.F. Ottawa	289,984	5-27.5
S.F. Concordia	276,988	5-27.5
Highland View	249,803	5-40
Carrollton Club	1,043,454	5-27.5
Scarlett Oaks	579,058	5-27.5
Brooks Hill	565,671	5-27.5
Greensboro	281,273	5-30
Greensboro II	354,358	5-30
Pine Terrace	296,288	5-30
Shellman	316,372	5-30
Blackshear	520,470	5-30
Crisp Properties	377,325	5-30
Crawford	307,813	5-30
Yorkshire	572,976	5-50
Woodcrest	432,409	5-40
Fox Ridge	214,512	5-50
Redmont II	209,018	5-50
Clayton	331,054	5-27.5
Alma	396,822	5-25
Pemberton Village	304,745	5-27.5
Magic Circle	309,422	5-27.5
Spring Hill	574,973	5-25
Menard Retirement	158,624	5-30
Wallis Housing	206,472	5-30
Zapata Housing	325,730	5-27.5
Mill Creek	719,567	5-25
Portland II	238,557	5-27.5
Georgetown	270,563	5-50
Cloverdale	385,177	5-27.5
S. Timber Ridge	539,860	5-25
Pineville	168,150	5-27.5
Ravenwood	185,018	5-27.5
	$13,336,649	

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 6
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Spruce	Pierre, SD	24	$ 911,469
Shannon Apartments	O'Neill, NE	16	533,586
Carthage	Carthage, MO	24	572,166
Mt. Crest	Enterprise, OR	39	1,000,449
Coal City	Coal City, IL	24	975,412
Blacksburg Terrace	Blacksburg, SC	32	1,082,402
Frazier	Smyrna, DE	30	1,468,438
Ehrhardt	Ehrhardt, SC	16	560,494
Sinton	Sinton, TX	32	848,799
Frankston	Frankston, TX	24	558,682
Flagler Beach	Flagler Beach, FL	43	1,380,295
Oak Ridge	Williamsburg, KY	24	810,686
Monett	Monett, MO	32	785,602
Arma	Arma, KS	28	716,110
Southwest City	Southwest City, MO	12	317,948
Meadowcrest	Luverne, AL	32	1,003,983
Parsons	Parsons, KS	48	1,257,415
Newport Village	Newport, TN	40	1,299,289
Goodwater Falls	Jenkins, KY	36	1,121,045
Northfield Station	Corbin, KY	24	797,671
Pleasant Hill Square	Somerset, KY	24	786,989
Winter Park	Mitchell, SD	24	999,849
Cornell	Watertown, SD	24	868,312
Heritage Drive S.	Jacksonville, TX	40	979,881
Brodhead	Brodhead, KY	24	786,015
Mt. Vilage	Mt. Vernon, KY	24	782,289
Hazelhurst	Hazlehurst, MS	32	971,818
Sunrise	Yankton, SD	33	1,157,765
Stony Creek	Hooversville, PA	32	1,340,925
Logan Place	Logan, OH	40	1,250,428
Haines	Haines, AK	32	2,379,540
Maple Wood	Barbourville, KY	24	795,658
Summerhill	Gassville, AR	28	795,005
Dorchester	St. George, SC	12	462,964
Lancaster	Mountain View, AR	33	1,110,058
Autumn Village	Harrison, AR	16	210,049
Hardy	Hardy, AR	24	326,333
Dawson	Dawson, GA	40	1,185,181
			$35,191,000

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 6
Apartment Properties

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Spruce	$ 60,040	$ 108,772	$ 967,879
Shannon Apartments	5,000	94,494	575,757
Carthage	115,814	578,597	36,722
Mt. Crest	64,914	1,143,675	35,936
Coal City	60,055	1,121,477	77,293
Blacksburg Terrace	39,930	1,278,860	38,276
Frazier	51,665	1,619,209	5,968
Ehrhardt	9,020	671,750	5,006
Sinton	42,103	985,010	25,946
Frankston	30,000	639,068	5,913
Flagler Beach	118,575	1,534,541	0
Oak Ridge	40,000	995,782	2,184
Monett	170,229	782,795	17,333
Arma	85,512	771,316	24,312
Southwest City	67,303	319,272	21,262
Meadowcrest	72,500	1,130,651	2,982
Parsons	49,780	1,483,188	0
Newport Village	61,350	1,470,505	88,098
Goodwater Falls	32,000	1,142,517	225,121
Northfield Station	44,250	977,220	1,091
Pleasant Hill Square	35,000	893,323	39,053
Winter Park	95,000	1,121,119	57,416
Cornell	32,000	1,017,572	42,896
Heritage Drive S.	44,247	1,151,157	19,610
Brodhead	21,600	932,468	8,725
Mt. Vilage	55,000	884,596	4,304
Hazelhurst	60,000	1,118,734	14,923
Sunrise	90,000	1,269,252	60,908
Stony Creek	0	1,428,656	220,627
Logan Place	39,300	1,477,527	10,085
Haines	189,323	2,851,953	(3,347)
Maple Wood	79,000	924,144	22,345
Summerhill	23,000	788,157	33,083
Dorchester	13,000	239,455	309,817
Lancaster	37,500	1,361,272	(14,886)
Autumn Village	20,000	595,604	0
Hardy	0	473,695	462,820
Dawson	40,000	346,569	1,088,404
	$2,094,010	$37,723,952	$4,533,862

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 6

Apartment Properties	Gross Amount At Which Carried At December 31, 2001		
Partnership	Land	Buildings, Improvements and Equipment	Total
Spruce	$ 86,308	$ 1,050,383	$ 1,136,691
Shannon Apartments	18,406	656,845	675,251
Carthage	115,814	615,319	731,133
Mt. Crest	64,914	1,179,611	1,244,525
Coal City	60,055	1,198,770	1,258,825
Blacksburg Terrace	39,930	1,317,136	1,357,066
Frazier	51,665	1,625,177	1,676,842
Ehrhardt	9,020	676,756	685,776
Sinton	42,103	1,010,956	1,053,059
Frankston	30,000	644,981	674,981
Flagler Beach	118,575	1,534,541	1,653,116
Oak Ridge	40,000	997,966	1,037,966
Monett	173,213	797,144	970,357
Arma	89,512	791,628	881,140
Southwest City	79,336	328,501	407,837
Meadowcrest	72,500	1,133,633	1,206,133
Parsons	49,780	1,483,188	1,532,968
Newport Village	61,350	1,558,603	1,619,953
Goodwater Falls	32,000	1,367,638	1,399,638
Northfield Station	44,250	978,311	1,022,561
Pleasant Hill Square	35,000	932,376	967,376
Winter Park	95,000	1,178,535	1,273,535
Cornell	35,592	1,056,876	1,092,468
Heritage Drive S.	53,837	1,161,177	1,215,014
Brodhead	21,600	941,193	962,793
Mt. Vilage	55,000	888,900	943,900
Hazelhurst	60,000	1,133,657	1,193,657
Sunrise	112,363	1,307,797	1,420,160
Stony Creek	104,800	1,544,483	1,649,283
Logan Place	39,300	1,487,612	1,526,912
Haines	189,323	2,848,606	3,037,929
Maple Wood	79,000	946,489	1,025,489
Summerhill	23,000	821,240	844,240
Dorchester	13,000	549,272	562,272
Lancaster	37,500	1,346,386	1,383,886
Autumn Village	20,000	595,604	615,604
Hardy	21,250	915,265	936,515
Dawson	40,000	1,434,973	1,474,973
	$2,314,296	$42,037,528	$44,351,824

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001

SERIES 6

Partnership	Accumulated Depreciation	Depreciable Life
Spruce	$ 351,064	5-30
Shannon Apartments	169,647	5-40
Carthage	327,853	5-27.5
Mt. Crest	474,938	5-27.5
Coal City	312,047	5-27.5
Blacksburg Terrace	527,849	5-27.5
Frazier	647,606	5-27.5
Ehrhardt	242,986	5-27.5
Sinton	212,463	5-50
Frankston	136,064	5-30
Flagler Beach	416,742	5-40
Oak Ridge	366,701	5-27.5
Monett	398,179	5-27.5
Arma	380,523	5-27.5
Southwest City	167,252	5-27.5
Meadowcrest	320,699	5-40
Parsons	588,471	5-27.5
Newport Village	593,970	5-27.5
Goodwater Falls	358,552	5-27.5
Northfield Station	260,046	5-27.5
Pleasant Hill Square	246,700	5-27.5
Winter Park	380,436	5-40
Cornell	278,305	5-40
Heritage Drive S.	473,355	5-25
Brodhead	238,262	5-40
Mt. Vilage	229,135	5-50
Hazelhurst	291,971	5-40
Sunrise	455,834	5-27.5
Stony Creek	401,939	5-27.5
Logan Place	460,241	5-27.5
Haines	1,021,086	5-27.5
Maple Wood	339,089	5-27.5
Summerhill	304,740	5-27.5
Dorchester	187,926	5-27.5
Lancaster	363,978	5-40
Autumn Village	155,633	5-40
Hardy	229,189	5-40
Dawson	292,257	5-40
	$13,603,728	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND II LTD.
NOTES TO SCHEDULE III

Reconciliation of Land, Building & Improvements current year changes:

SERIES 2

Balance at beginning of period - December 31, 2000		$28,293,026
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	37,474	
Improvements, etc.	0	
Other	0	
		37,474
Deductions during period:		
Cost of real estate sold	0	
Other	0	
		0
Balance at end of period - December 31, 2001		$28,330,500

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000		$ 9,287,713
Current year expense	865,003	
Less Accumulated Depreciation of real estate sold	0	
Other	4	
		865,007
Balance at end of period - December 31, 2001		$ 10,152,720

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND II LTD.
NOTES TO SCHEDULE III

Reconciliation of Land, Building & Improvements current year changes:

SERIES 3

Balance at beginning of period - December 31, 2000		$27,620,603
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	154,310	
Improvements, etc.	0	
Other	0	

		154,310
Deductions during period:		
Cost of real estate sold	4,358	
Other	0	

		(4,358)

Balance at end of period - December 31, 2001		$27,770,555
		===========

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000		$11,579,979
Current year expense	937,911	
Less Accumulated Depreciation of real estate sold	(4,358)	
Other	0	

		933,553

Balance at end of period - December 31, 2001		$12,513,532
		============

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND II LTD.
NOTES TO SCHEDULE III

Reconciliation of Land, Building & Improvements current year changes:

SERIES 4

Balance at beginning of period - December 31, 2000		$32,724,096
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	248,605	
Improvements, etc.	0	
Other	0	
		248,605
Deductions during period:		
Cost of real estate sold	195	
Other	0	
		(195)
Balance at end of period - December 31, 2001		$32,972,506

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000		$ 10,297,994
Current year expense	979,486	
Less Accumulated Depreciation of real estate sold	(195)	
Other	0	
		979,291
Balance at end of period - December 31, 2001		$11,277,285

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND II LTD.
NOTES TO SCHEDULE III

Reconciliation of Land, Building & Improvements current year changes:

SERIES 5

Balance at beginning of period - December 31, 2000		$40,148,657
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	68,935	
Improvements, etc.	0	
Other	0	

		68,935
Deductions during period:		
Cost of real estate sold	6,791	
Other	0	

		(6,791)

Balance at end of period - December 31, 2001		$40,210,801
		============

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000		$12,049,324
Current year expense	1,294,116	
Less Accumulated Depreciation of real estate sold	(6,791)	
Other	0	

		1,287,325

Balance at end of period - December 31, 2001		$13,336,649
		============

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2001
GATEWAY TAX CREDIT FUND II LTD.
NOTES TO SCHEDULE III

Reconciliation of Land, Building & Improvements current year changes:

SERIES 6

Balance at beginning of period - December 31, 2000		$44,224,853
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	129,189	
Improvements, etc.	0	
Other	0	
		129,189
Deductions during period:		
Cost of real estate sold	2,218	
Other	0	(2,218)
Balance at end of period - December 31, 2001		$44,351,824

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2000		$12,258,319
Current year expense	1,347,627	
Less Accumulated Depreciation of real estate sold	(2,218)	
Other	0	
		1,345,409
Balance at end of period - December 31, 2001		$13,603,728

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 2

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Claxton Elderly	24	654,836	8.75%	5,883	50
Deerfield II	24	698,317	8.75%	6,284	50
Hartwell Family	24	701,746	8.75%	5,307	50
Cherrytree Apts.	33	1,193,657	8.75%	9,011	50
Springwood Apts.	32	1,246,373	8.75%	9,218	50
Lakeshore Apts.	34	1,048,424	8.75%	7,905	50
Lewiston	25	994,851	9.00%	7,720	50
Charleston	32	838,904	8.75%	6,333	50
Sallisaw II	47	1,191,103	8.75%	8,980	50
Pocola	36	982,353	8.75%	7,407	50
Inverness Club	72	2,972,269	8.75%	27,905	50
Pearson Elderly	25	625,595	9.00%	4,926	50
Richland Elderly	33	863,115	8.75%	6,517	50
Lake Park	48	1,478,242	9.00%	11,466	50
Woodland Terrace	30	883,129	8.75%	6,666	50
Mt. Vernon Elderly	21	571,164	8.75%	4,309	50
Lakeland Elderly	29	776,790	8.75%	5,882	50
Prairie Apartments	21	971,154	9.00%	7,515	50
Sylacauga Heritage	44	1,378,671	8.75%	10,536	50
Manchester Housing	49	1,449,516	8.75%	10,958	50
Durango C.W.W.	24	1,029,067	9.00%	7,739	50
Columbus Sr.	16	434,660	8.25%	3,102	50
		$22,983,936			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 3

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Poteau II	52	1,295,495	9.50%	10,682	50
Sallisaw	52	1,306,175	9.50%	10,654	50
Nowata Properties	32	853,217	9.50%	6,905	50
Waldron Properties	24	636,736	9.00%	4,950	50
Roland II	52	1,304,922	9.50%	10,657	50
Stilwell	48	1,187,075	9.50%	9,727	50
Birchwood Apts.	24	784,861	9.50%	6,410	50
Hornellsville	24	890,362	9.00%	6,927	50
Sunchase II	41	1,186,391	9.00%	9,279	50
CE McKinley II	16	605,878	8.75%	5,146	50
Weston Apartments	10	273,170	9.00%	2,131	50
Countrywood Apts.	40	1,193,596	9.00%	9,310	50
Wildwood Apts.	28	845,422	9.50%	6,906	50
Hancock	12	362,196	9.50%	3,119	50
Hopkins	24	741,343	8.75%	5,815	50
Elkhart Apts.	54	1,131,898	9.00%	9,198	40
Bryan Senior	40	1,071,335	10.00%	9,455	50
Brubaker Square	38	1,111,052	9.00%	8,646	50
Southwood	44	1,480,686	9.25%	11,752	50
Villa Allegra	32	893,399	9.00%	7,053	50
Belmont Senior	24	759,179	9.00%	6,001	50
Heritage Villas	25	674,855	8.75%	5,110	50
Logansport Seniors	32	893,674	8.75%	6,745	50
		$21,482,917			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 4

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Alsace Village	24	634,756	9.00%	4,915	50
Seneca Apartments	24	606,020	9.00%	4,692	50
Eudora Senior	36	954,617	8.75%	7,269	50
Westville	36	855,647	8.75%	6,448	50
Wellsville Senior	24	645,071	8.75%	4,859	50
Stilwell II	52	1,283,469	8.75%	9,672	50
Spring Hill Senior	24	694,131	8.75%	5,236	50
Smithfield	40	1,532,714	8.75%	11,746	50
Tarpon Heights	48	1,238,455	8.75%	9,347	50
Oaks Apartments	32	829,071	9.00%	6,663	50
Wynnwood Common	34	1,365,285	8.75%	10,300	50
Chestnut Apartments	24	851,756	8.75%	6,419	50
St. George	24	750,867	8.75%	5,677	50
Williston	24	795,018	9.00%	6,147	50
Brackettville Sr.	32	818,492	8.75%	6,172	50
Sonora Seniors	32	839,747	8.75%	6,337	50
Ozona Seniors	24	628,860	8.75%	4,744	50
Fredericksburg Sr.	48	1,199,270	8.75%	9,050	50
St. Joseph	24	824,553	9.00%	6,379	50
Courtyard	21	708,517	9.25%	5,622	50
Rural Development	25	1,201,402	9.25%	9,539	50
Jasper Villas	25	855,515	8.75%	6,450	50
Edmonton Senior	24	752,489	9.00%	5,688	50
Jonesville Manor	40	1,345,399	8.75%	10,159	50
Norton Green	40	1,336,222	8.75%	10,085	50
Owingsville Senior	22	703,467	9.00%	5,297	50
Timpson Seniors	28	670,397	8.75%	5,058	50
Piedmont	36	1,039,445	8.75%	7,856	50
S.F. Arkansas City	12	339,548	10.62%	3,056	50
		$26,300,200			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 5

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Seymour	37	1,234,652	8.75%	9,346	50
Effingham	24	800,619	8.75%	6,032	50
S.F. Winfield	12	330,924	11.37%	3,016	50
S.F.Medicine Lodge	16	452,074	10.62%	4,049	50
S.F. Ottawa	24	569,320	10.62%	5,126	50
S.F. Concordia	20	553,238	11.87%	5,498	50
Highland View	24	711,699	8.75%	5,473	40
Carrollton Club	78	2,670,795	7.75%	18,064	50
Scarlett Oaks	40	1,383,559	8.25%	9,870	50
Brooks Hill	44	1,455,720	8.25%	10,398	50
Greensboro	24	729,909	7.75%	4,937	50
Greensboro II	33	900,078	7.75%	6,129	50
Pine Terrace	25	724,063	8.25%	5,172	50
Shellman	27	736,252	8.25%	5,264	50
Blackshear	46	1,314,581	8.25%	9,389	50
Crisp Properties	31	928,081	8.25%	6,632	50
Crawford	25	741,887	8.25%	5,302	50
Yorkshire	60	2,076,101	8.25%	14,842	50
Woodcrest	40	1,282,240	8.25%	9,402	50
Fox Ridge	24	733,403	9.00%	5,673	50
Redmont II	24	692,394	8.75%	5,355	50
Clayton	24	666,293	8.25%	4,760	50
Alma	24	730,604	8.75%	8,018	50
Pemberton Village	24	635,530	8.75%	4,782	50
Magic Circle	24	651,430	8.75%	4,913	50
Spring Hill	36	1,123,006	8.25%	8,018	50
Menard Retirement	24	625,689	8.75%	4,715	50
Wallis Housing	24	426,623	8.75%	3,688	50
Zapata Housing	40	975,606	8.75%	7,377	50
Mill Creek	60	1,428,298	8.25%	10,192	50
Portland II	20	580,870	8.75%	4,388	50
Georgetown	24	738,200	8.25%	5,265	50
Cloverdale	24	755,273	8.75%	5,693	50
S. Timber Ridge	44	1,060,244	8.75%	7,986	50
Pineville	12	318,736	8.25%	2,318	50
Ravenwood	24	724,266	7.25%	4,595	50
		$32,462,257			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2001

SERIES 6

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Spruce	24	911,469	8.75%	6,857	50
Shannon Apartments	16	533,586	8.75%	4,014	50
Carthage	24	572,166	8.75%	4,371	50
Mt. Crest	39	1,000,449	8.25%	7,150	50
Coal City	24	975,412	7.75%	6,578	50
Blacksburg Terrace	32	1,082,402	8.25%	7,738	50
Frazier	30	1,468,438	8.25%	10,470	50
Ehrhardt	16	560,494	7.75%	3,791	50
Sinton	32	848,799	8.25%	6,063	50
Frankston	24	558,682	8.75%	4,207	50
Flagler Beach	43	1,380,295	8.25%	9,864	50
Oak Ridge	24	810,686	8.25%	5,800	50
Monett	32	785,602	8.25%	5,598	50
Arma	28	716,110	8.75%	5,388	50
Southwest City	12	317,948	8.25%	2,271	50
Meadowcrest	32	1,003,983	8.25%	7,160	50
Parsons	48	1,257,415	7.75%	8,485	50
Newport Village	40	1,299,289	7.75%	8,798	50
Goodwater Falls	36	1,121,045	7.75%	7,980	50
Northfield Station	24	797,671	7.75%	5,379	50
Pleasant Hill Square	24	786,989	7.75%	5,315	50
Winter Park	24	999,849	8.25%	7,131	50
Cornell	24	868,312	8.25%	6,193	50
Heritage Drive S.	40	979,881	8.25%	6,990	50
Brodhead	24	786,015	7.75%	5,303	50
Mt. Vilage	24	782,289	8.25%	5,574	50
Hazelhurst	32	971,818	8.25%	7,105	50
Sunrise	33	1,157,765	8.75%	8,711	50
Stony Creek	32	1,340,925	8.75%	9,065	50
Logan Place	40	1,250,428	8.25%	8,909	50
Haines	32	2,379,540	8.25%	16,950	50
Maple Wood	24	795,658	7.75%	5,381	50
Summerhill	28	795,005	8.25%	5,911	50
Dorchester	12	462,964	7.75%	3,118	50
Lancaster	33	1,110,058	7.75%	7,775	50
Autumn Village	16	210,049	7.00%	2,608	50
Hardy	24	326,333	6.00%	3,639	18
Dawson	40	1,185,181	7.25%	7,524	50
		$35,191,000			

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 II LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds,Inc.
Raymond James Tax Credit Funds, Inc.

Date: July 9, 2002

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

Date: July 9, 2002

By:/s/ Sandra L. Furey
Sandra L. Furey
Secretary and Treasurer

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused to be signed on its behalf by the undersigned hereunto duly authorized.

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

Date: July 9, 2002

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

Date: July 9, 2002

By:/s/ Sandra L. Furey
Sandra L. Furey
Secretary and Treasurer