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, 2003

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)567-4830

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

Securities registered pursuant to Section 12(g) of the Act:
Title of Each Class: 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, 2003
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, 2003, 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, 2003. 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, 2003, 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, 2003 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, 2003 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 13.4% of the Series' total assets, Series 3 is 8.2%, Series 4 is 8.2%, Series 5 is 8.0% 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, 2002:

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	79%
Deerfield II	Douglas, GA	24	9/90	854,562	88%
Hartwell Family	Hartwell, GA	24	9/90	859,698	96%
Cherrytree Apts.	Albion, PA	33	9/90	1,458,066	100%
Springwood Apts.	Westfield, NY	32	9/90	1,525,406	100%
Lakeshore Apts.	Tuskegee, AL	34	9/90	1,291,097	91%
Lewiston	Lewiston, NY	25	10/90	1,233,935	100%
Charleston	Charleston, AR	32	9/90	1,076,098	81%
Sallisaw II	Sallisaw, OK	47	9/90	1,517,589	100%
Pocola	Pocola, OK	36	10/90	1,245,870	86%
Inverness Club	Inverness, FL	72	9/90	3,496,824	97%
Pearson Elderly	Pearson, GA	25	9/90	781,460	96%
Richland Elderly	Richland, GA	33	9/90	1,057,871	85%
Lake Park	Lake Park, GA	48	9/90	1,794,542	96%
Woodland Terrace	Waynesboro, GA	30	9/90	1,080,357	93%
Mt. Vernon Elderly	Mt. Vernon, GA	21	9/90	700,935	95%
Lakeland Elderly	Lakeland, GA	29	9/90	955,815	97%
Prairie Apartments	Eagle Butte, SD	21	10/90	1,279,015	100%
Sylacauga Heritage	Sylacauga, AL	44	12/90	1,774,672	77%
Manchester Housing	Manchester, GA	49	1/91	1,784,284	92%
Durango C.W.W.	Durango, CO	24	1/91	1,314,540	100%
Columbus Seniors	Columbus, KS	16	5/92	524,242	100%
		723		$28,406,416	

The aggregate average effective rental per unit is $3,133 per year ($261 per month).

Inverness Club Ltd.'s fixed asset total is 12.3% 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 97% and its average effective annual rental per unit was $5,343 ($445 per month) on December 31, 2002. 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, 2002 the real estate taxes were $64,317.

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	98%
Nowata Properties	Oolagah, OK	32	8/90	1,148,484	94%
Waldron Properties	Waldron, AR	24	9/90	860,273	88%
Roland II	Roland, OK	52	10/90	1,804,010	94%
Stilwell	Stilwell, OK	48	10/90	1,597,701	94%
Birchwood Apts.	Pierre, SD	24	9/90	1,072,975	63%
Hornellsville	Arkport, NY	24	9/90	1,127,259	92%
Sunchase II	Watertown, SD	41	9/90	1,386,223	100%
CE McKinley II	Rising Sun, MD	16	9/90	826,883	100%
Weston Apartments	Weston, AL	10	11/90	345,037	100%
Countrywood Apts.	Centreville, AL	40	11/90	1,580,978	95%
Wildwood Apts.	Pineville, LA	28	11/90	1,091,205	86%
Hancock	Hawesville, KY	12	12/90	440,425	100%
Hopkins	Madisonville, KY	24	12/90	927,256	100%
Elkhart Apts.	Elkhart, TX	54	1/91	1,630,721	87%
Bryan Senior	Bryan, OH	40	1/91	1,188,292	95%
Brubaker Square	New Carlisle, OH	38	1/91	1,459,016	89%
Southwood	Savannah, TN	44	1/91	1,803,194	98%
Villa Allegra	Celina, OH	32	1/91	1,150,622	100%
Belmont Senior	Cynthiana, KY	24	1/91	935,143	96%
Heritage Villas	Helena, GA	25	3/91	824,759	96%
Logansport Seniors	Logansport, LA	32	3/91	1,384,751	100%
		768		$28,118,458	

The average effective rental per unit is $3,210 per year ($268 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	829,997	92%
Seneca Apartments	Seneca, MO	24	2/91	751,086	100%
Eudora Senior	Eudora, KS	36	3/91	1,257,482	86%
Westville	Westville, OK	36	3/91	1,101,686	97%
Wellsville Senior	Wellsville, KS	24	3/91	810,970	96%
Stilwell II	Stilwell, OK	52	3/91	1,657,974	96%
Spring Hill Sr.	Spring Hill, KS	24	3/91	1,036,369	100%
Smithfield	Smithfield, UT	40	4/91	1,887,853	93%
Tarpon Heights	Galliano, LA	48	4/91	2,263,014	100%
Oaks Apartments	Oakdale, LA	32	4/91	1,532,159	100%
Wynnwood Common	Fairchance, PA	34	4/91	1,686,247	100%
Chestnut Apts.	Howard, SD	24	5/91	1,074,298	46%
St. George	St. George, SC	24	6/91	938,568	92%
Williston	Williston, SC	24	6/91	1,003,355	96%
Brackettville Sr.	Brackettville, TX	32	6/91	1,042,263	97%
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	98%
St. Joseph	St. Joseph, IL	24	6/91	976,883	88%
Courtyard	Huron, SD	21	6/91	868,835	100%
Rural Development	Ashland, ME	25	6/91	1,422,482	96%
Jasper Villas	Jasper, AR	25	6/91	1,105,621	96%
Edmonton Senior	Edmonton, KY	24	6/91	906,714	92%
Jonesville Manor	Jonesville, VA	40	6/91	1,735,944	100%
Norton Green	Norton, VA	40	6/91	1,733,581	100%
Owingsville Senior	Owingsville, KY	22	8/91	853,294	100%
Timpson Seniors	Timpson, TX	28	8/91	815,916	100%
Piedmont	Barnesville, GA	36	8/91	1,289,047	100%
S.F. Arkansas City	Arkansas City, KS	12	8/91	412,028	92%
		879		$34,287,039	

The average effective rental per unit is $3,562 per year ($297 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	86%
Effingham	Effingham, IL	24	8/91	980,617	96%
S.F. Winfield	Winfield, KS	12	8/91	402,402	42%
S.F.Medicine Lodge	Medicine Lodge,KS	16	8/91	572,925	75%
S.F. Ottawa	Ottawa, KS	24	8/91	732,342	100%
S.F. Concordia	Concordia, KS	20	8/91	695,908	90%
Highland View	Elgin, OR	24	9/91	895,996	96%
Carrollton Club	Carrollton, GA	78	9/91	3,217,901	95%
Scarlett Oaks	Lexington, SC	40	9/91	1,677,363	100%
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	94%
Pine Terrace	Wrightsville, GA	25	9/91	885,409	88%
Shellman	Shellman, GA	27	9/91	901,648	96%
Blackshear	Cordele, GA	46	9/91	1,602,149	100%
Crisp Properties	Cordele, GA	31	9/91	1,127,071	97%
Crawford	Crawford, GA	25	9/91	907,712	100%
Yorkshire	Wagoner, OK	60	9/91	2,584,348	95%
Woodcrest	South Boston, VA	40	9/91	1,589,526	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	67%
Alma	Alma, AR	24	9/91	957,710	96%
Pemberton Village	Hiawatha, KS	24	9/91	776,725	83%
Magic Circle	Eureka, KS	24	9/91	823,643	92%
Spring Hill	Spring Hill, KS	36	9/91	1,449,378	100%
Menard Retirement	Menard, TX	24	9/91	759,350	96%
Wallis Housing	Wallis, TX	24	9/91	578,333	88%
Zapata Housing	Zapata, TX	40	9/91	1,243,211	100%
Mill Creek	Grove, OK	60	11/91	1,741,669	98%
Portland II	Portland, IN	20	11/91	789,761	95%
Georgetown	Georgetown, OH	24	11/91	965,695	100%
Cloverdale	Cloverdale, IN	24	1/92	975,055	96%
So. Timber Ridge	Chandler, TX	44	1/92	1,315,862	91%
Pineville	Pineville, MO	12	5/92	410,386	100%
Ravenwood	Americus, GA	24	1/94	900,996	92%
		1,106		$40,288,957	

The average effective rental per unit is $3,501 per year ($292 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	1,141,446	50%
Shannon	O'Neill, NE	16	11/91	678,795	100%
Carthage	Carthage, MO	24	1/92	738,270	96%
Mountain Crest	Enterprise, OR	39	3/92	1,247,221	79%
Coal City	Coal City, IL	24	3/92	1,285,021	92%
Blacksburg Terrace	Blacksburg, SC	32	4/92	1,358,791	100%
Frazer Place	Smyrna, DE	30	4/92	1,676,842	100%
Ehrhardt	Ehrhardt, SC	16	4/92	685,776	88%
Sinton	Sinton, TX	32	4/92	1,053,059	100%
Frankston	Frankston, TX	24	4/92	676,931	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	978,559	97%
Arma	Arma, KS	28	5/92	886,158	100%
Southwest City	Southwest City, MO	12	5/92	409,350	100%
Meadowcrest	Luverne, AL	32	6/92	1,214,262	84%
Parsons	Parsons, KS	48	7/92	1,532,968	100%
Newport Village	Newport, TN	40	7/92	1,627,002	100%
Goodwater Falls	Jenkins, KY	36	7/92	1,404,863	100%
Northfield Station	Corbin, KY	24	7/92	1,022,561	96%
Pleasant Hill	Somerset, KY	24	7/92	967,376	100%
Winter Park	Mitchell, SD	24	7/92	1,279,221	100%
Cornell	Watertown, SD	24	7/92	1,116,744	96%
Heritage Drive So.	Jacksonville, TX	40	1/92	1,205,389	100%
Brodhead	Brodhead, KY	24	7/92	964,451	100%
Mt. Village	Mt. Vernon, KY	24	7/92	944,307	92%
Hazlehurst	Hazlehurst, MS	32	8/92	1,200,823	97%
Sunrise	Yankton, SD	33	8/92	1,426,475	97%
Stony Creek	Hooversville, PA	32	8/92	1,649,283	94%
Logan Place	Logan, OH	40	9/92	1,526,912	95%
Haines	Haines, AK	32	8/92	3,039,054	88%
Maple Wood	Barbourville, KY	24	8/92	1,033,990	100%
Summerhill	Gassville, AR	28	9/92	844,240	86%
Dorchester	St. George, SC	12	9/92	560,977	100%
Lancaster	Mountain View, AR	33	9/92	1,383,886	97%
Autumn Village	Harrison, AR	16	7/92	616,082	94%
Hardy	Hardy, AR	24	7/92	936,944	96%
Dawson	Dawson, GA	40	11/93	1,474,973	95%
		1,086		$44,480,084	

The average effective rental per unit is $3,916 per year ($326 per month).

Item 2 - Properties (continued):

A summary of the cost of the properties at December 31, 2002, 2001 and 2000 is as follows:

12/31/02

	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	125,464	253,348	169,332
Buildings	26,377,933	25,412,059	31,332,798
Furniture and Fixtures	890,839	1,467,505	1,596,797
Construction in Progress	0	0	0
Properties, at Cost	28,406,416	28,118,458	34,287,039
Less: Accum.Depreciation	11,017,194	13,441,035	12,319,974
Properties, Net	$ 17,389,222	$ 14,677,423	$ 21,967,065

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,456,671	$ 1,779,755	$ 6,422,264
Land Improvements	150,142	536,545	1,234,831
Buildings	36,867,774	39,884,445	159,875,009
Furniture and Fixtures	1,814,370	2,279,339	8,048,850
Construction in Progress	0	0	0
Properties, at Cost	40,288,957	44,480,084	175,580,954
Less: Accum.Depreciation	14,615,269	14,953,588	66,347,060
Properties, Net	$ 25,673,688	$ 29,526,496	$109,233,894

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**Error! Not a valid link.**	$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**Error! Not a valid link.**	$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

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, 2003, 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, 2003
Beneficial Assignee Certificates	2,258
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 2	2003	2002	2001	2000	1999
Total Revenues	$ 31,644	$ 36,666	$ 43,114	$ 40,198	$ 41,405
Net Loss	(85,230)	(99,198)	(123,576)	(166,538)	(221,305)
Equity in Losses of Project Partnerships	(17,624)	(43,931)	(76,493)	(115,544)	(126,899)
Total Assets	523,794	575,947	634,752	723,067	853,057
Investments In Project Partnerships	58,381	78,301	124,529	208,215	331,579
Per BAC: (A)					
Tax Credits	2.79	64.12	162.60	166.30	166.30
Portfolio Income	7.31	11.87	14.10	12.20	12.90
Passive Loss	(146.95)	(148.48)	(127.50)	(141.60)	(144.60)
Net Loss	(13.75)	(16.00)	(19.94)	(26.87)	(35.71)

FOR THE YEARS ENDED MARCH 31,:

SERIES 3	2003	2002	2001	2000	1999
Total Revenues	$ 37,951	$ 42,526	$ 52,385	$ 51,385	$ 44,329
Net Loss	(82,729)	(80,062)	(58,677)	(147,068)	(187,324)
Equity in Losses of Project Partnerships	(25,505)	(34,441)	(26,094)	(114,700)	(105,820)
Total Assets	405,777	465,530	512,301	545,897	669,866
Investments In Project Partnerships	6,633	34,601	71,138	100,190	218,820
Per BAC: (A)					
Tax Credits	1.38	6.22	44.70	68.90	164.30
Portfolio Income	7.92	13.83	14.00	12.80	14.10
Passive Loss	(137.28)	(154.72)	(156.40)	(151.20)	(145.00)
Net Loss	(15.01)	(14.53)	(10.65)	(26.69)	(33.99)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 4	2003	2002	2001	2000	1999
Total Revenues	$ 35,591	$ 44,426	$ 51,145	$ 48,997	$ 46,672
Net Loss	(160,313)	(185,366)	(311,663)	(235,491)	(348,671)
Equity in Losses of Project Partnerships	(77,657)	(118,314)	(254,163)	(175,823)	(208,919)
Total Assets	536,633	663,983	807,069	1,082,020	1,280,602
Investments In Project Partnerships	12,279	96,741	223,689	487,692	676,348
Per BAC: (A)					
Tax Credits	2.98	82.68	165.70	168.60	168.60
Portfolio Income	8.48	12.51	15.00	14.30	14.10
Passive Loss	(147.73)	(149.99)	(160.40)	(137.50)	(136.00)
Net Loss	(22.95)	(26.54)	(44.62)	(33.71)	(49.92)

FOR THE YEARS ENDED MARCH 31,:

SERIES 5	2003	2002	2001	2000	1999
Total Revenues	$ 48,076	$ 58,867	$ 64,244	$ 65,839	$ 64,661
Net Loss	(261,993)	(268,277)	(248,131)	(243,982)	(403,555)
Equity in Losses of Project Partnerships	(159,492)	(189,327)	(179,765)	(178,140)	(300,042)
Total Assets	1,073,840	1,298,281	1,519,231	1,728,422	1,932,914
Investments In Project Partnerships	376,275	550,146	752,227	951,449	1,145,581
Per BAC: (A)					
Tax Credits	54.70	153.83	164.60	164.60	164.60
Portfolio Income	6.71	12.75	15.60	14.30	14.40
Passive Loss	(136.53)	(145.76)	(140.30)	(134.60)	(149.20)
Net Loss	(30.10)	(30.83)	(28.51)	(28.03)	(46.37)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 6	2003	2002	2001	2000	1999
Total Revenues	$ 42,340	$ 52,783	$ 57,541	$ 54,234	$ 50,722
Net Loss	(334,594)	(407,763)	(481,031)	(531,947)	(701,324)
Equity in Losses of Project Partnerships	(209,950)	(306,042)	(384,730)	(433,597)	(601,405)
Total Assets	1,731,924	2,016,612	2,364,264	2,793,368	3,272,734
Investments In Project Partnerships	1,024,672	1,257,026	1,584,877	1,997,390	2,464,086
Per BAC: (A)					
Tax Credits	129.74	167.27	165.60	165.50	165.50
Portfolio Income	7.48	11.24	13.80	12.70	12.90
Passive Loss	(115.70)	(127.50)	(127.30)	(126.50)	(129.30)
Net Loss	(32.78)	(39.95)	(47.13)	(52.12)	(68.54)

(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. Controls and Procedures

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

Item 8. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations, Liquidity and Capital Resources

In 2003, a General Partner of one Project Partnership in Series 3 and seven Project Partnerships in Series 4 plead guilty to fraud and conspiracy charges relating to these project partnerships and other partnerships not related to Gateway Tax Credit Fund II, LTD. The Partnership is in the process of substituting a new General Partner and does not feel that this situation will have a material impact on the financial statements.

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, 2003, March 31, 2002 and March 31, 2001. The General and Administrative expenses - General Partner and General and Administrative expenses - Other for the year ended March 31, 2003 are comparable to March 31, 2002 and March 31, 2001.

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 to 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, 2003, 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, 2002.

Equity in Losses of Project Partnerships decreased from $76,493 for the year ended March 31, 2001 to $43,931 for the year ended March 31, 2002 and to $17,624 for the year ended March 31, 2003. As presented in Note 5, Gateway’s share of net loss decreased from $611,603 for the year ended March 31, 2001 to $706,233 for the year ended March 31, 2002 and increased to $696,894 for the year ended March 31,2003. Suspended Losses decreased from $535,110 for the year ended March 31, 2001 to $662,302 for the year ended March 31, 2002 and increased to $679,270 for the year ended March 31, 2003. 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 $893,266, $865,003 and $864,473 for the years ended December 31, 2000, 2001, and 2002 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 that meet projections.

At March 31, 2003, the Series had $243,155 of short-term investments (Cash and Cash Equivalents). It also had $222,258 in Zero Coupon Treasuries with annual maturities providing $58,593 in fiscal year 2004 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 $85,230 for the year ending March 31, 2003. However, after adjusting for Equity in Losses of Project Partnerships of $17,624 and the changes in operating assets and liabilities, net cash used in operating activities was $32,613, of which $34,741 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $39,963, consisting of $14,265 in cash distributions from the Project Partnerships and $25,698 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, 2003 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, 2002.

Equity in Losses of Project Partnerships increased from $26,094 for the year ended March 31, 2001 to $34,441 for the year ended March 31, 2002 and decreased to $25,505 for the year ended March 31, 2003. As presented in Note 5, Gateway's share of net loss decreased from $735,412 for the year ended March 31, 2001 to $710,345 for the year ended March 31, 2002 and to $608,873 for the year ended March 31, 2003. Suspended Losses decreased from $709,318 for the year ended March 31, 2001 to $675,904 for the year ended March 31, 2002 and to $583,368 for the year ended March 31, 2003. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $941,538, $946,476 and $961,550 for the years ended December 31, 2000, 2001 and 2002, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2003, the Series had $201,450 of short-term investments (Cash and Cash Equivalents). It also had $197,694 in Zero Coupon Treasuries with annual maturities providing $52,100 in fiscal year 2004 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 $82,729 for the year ended March 31, 2003. However, after adjusting for Equity in Losses of Project Partnerships of $25,505 and the changes in operating assets and liabilities, net cash used in operating activities was $42,551, of which $39,573 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $45,973, consisting of $23,114 in cash distributions received from the Project Partnerships and $22,859 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, 2003, 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, 2002.

Equity in Losses of Project Partnerships decreased from $254,163 for the year ended March 31, 2001 to $118,314 for the year ended March 31, 2002 and decreased to $77,657 for the year ended March 31, 2003. As presented in Note 5, Gateway's share of net loss decreased from $847,148 for the year ended March 31, 2001 to $766,057 for the year ended March 31, 2002 and decreased to $695,800 for the year ended March 31, 2003. Suspended Losses increased from $592,985 for the year ended

March 31, 2001 to $647,743 for the year ended March 31, 2002 and decreased to $618,144 for the year ended March 31, 2003. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $976,176, $979,666 and $1,044,807 for the years ended December 31, 2000, 2001 and 2002, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2003, the Series had $273,896 of short-term investments (Cash and Cash Equivalents). It also had $250,458 in Zero Coupon Treasuries with annual maturities providing $66,032 in fiscal year 2004 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 $160,313 for the year ended March 31, 2003. However, after adjusting for Equity in Losses of Project Partnerships of $77,657 and the changes in operating assets and liabilities, net cash used in operating activities was $46,928, of which $44,046 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $48,645, consisting of $19,685 in cash distributions from the Project Partnerships and $28,960 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, 2003, 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 94% as of December 31, 2002.

Equity in Losses of Project Partnerships were comparable for the years ended March 31, 2001, 2002, and 2003. (These Project Partnerships reported depreciation and amortization of $1,283,498, $1,294,116 and $1,280,622 for the years ended December 31, 2000, 2001 and 2002, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2003, the Series had $385,402 of short-term investments (Cash and Cash Equivalents). It also had $312,163 in Zero Coupon Treasuries with annual maturities providing $82,275 in fiscal year 2004 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 $261,993 for the year ended March 31, 2003. However, after adjusting for Equity in Losses of Project Partnerships of $159,492 and the changes in operating assets and liabilities, net cash used in operating activities was $61,551, of which $57,351 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $66,576 consisting of $30,482 in cash distributions from the Project Partnerships and $36,094 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, 2003, 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, 2002.

Equity in Losses of Project Partnerships decreased from $384,730 for the year ended March 31, 2001 to $306,042 for the year ended March 31, 2002 and to $209,950 for the year ended March 31, 2003. These decreases were due to additional suspended losses of $523,064, $609,347, and $591,184 for the years ended March 31, 2001, 2002 and 2003 respectively, as these losses would reduce the investment in certain Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $1,337,714, $1,347,661 and $1,361,813 for the years ended December 31, 2000, 2001 and 2002, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2003, the Series had $447,585 of short-term investments (Cash and Cash Equivalents). It also had $259,667 in Zero Coupon Treasuries with annual maturities providing $70,000 in fiscal year 2004 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 $334,594 for the year ended March 31, 2003. However, after adjusting for Equity in Losses of Project Partnerships of $209,950 and the changes in operating assets and liabilities, net cash used in operating activities was $70,481, of which $55,509 was the Asset Management Fee actually paid. Cash provided by investing activities totaled $62,689 of which $30,427 was received in cash distributions from the Project Partnerships and $32,262 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Item 9. 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, 2003 and 2002 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, 2003. 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, 2003 and 2002 and net losses included on the statements of operations for each of the three years in the period ended March 31, 2003 are:

	Cumulative Equity in Losses March 31,		Partnership Loss Year Ended March 31,		
	2003	2002	2003	2002	2001
Series 2	$3,763,016	$3,763,013	$ 0	$ 29,397	$ 57,696
Series 3	3,138,561	3,126,202	12,361	11,713	13,173
Series 4	3,431,461	3,360,237	71,223	57,051	176,447
Series 5	3,749,328	3,680,345	68,984	79,648	92,712
Series 6	4,549,163	4,418,917	130,246	181,311	242,250

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, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2003, 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, 2003

PART I - Financial Information
Item 1. Financial Statements

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

SERIES 2	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 243,155	$ 235,805
Investments in Securities	58,586	56,098
Total Current Assets	301,741	291,903
Investments in Securities	163,672	205,743
Investments in Project Partnerships, Net	58,381	78,301
Total Assets	$ 523,794	$ 575,947
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 53,915	$ 54,118
Total Current Liabilities	53,915	54,118
Long-Term Liabilities:		
Payable to General Partners	462,542	429,262
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	61,063	145,441
General Partners	(53,726)	(52,874)
Total Partners' Equity	7,337	92,567
Total Liabilities and Partners' Equity	$ 523,794	$ 575,947

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

SERIES 3	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 201,450	$ 198,028
Investments in Securities	52,111	49,898
Total Current Assets	253,561	247,926
Investments in Securities	145,583	183,003
Investments in Project Partnerships, Net	6,633	34,601
Total Assets	$ 405,777	$ 465,530
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 58,599	$ 58,717
Total Current Liabilities	58,599	58,717
Long-Term Liabilities:		
Payable to General Partners	342,384	319,290
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	52,562	134,464
General Partners	(47,768)	(46,941)
Total Partners' Equity	4,794	87,523
Total Liabilities and Partners' Equity	$ 405,777	$ 465,530

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

SERIES 4	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 273,896	$ 272,179
Investments in Securities	66,019	63,215
Total Current Assets	339,915	335,394
Investments in Securities	184,439	231,848
Investments in Project Partnerships, Net	12,279	96,741
Total Assets	$ 536,633	$ 663,983
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 66,103	$ 66,364
Total Current Liabilities	66,103	66,364
Long-Term Liabilities:		
Payable to General Partners	448,900	415,676
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	82,068	240,778
General Partners	(60,438)	(58,835)
Total Partners' Equity	21,630	181,943
Total Liabilities and Partners' Equity	$ 536,633	$ 663,983

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

SERIES 5	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 385,402	$ 380,377
Investments in Securities	82,284	78,790
Total Current Assets	467,686	459,167
Investments in Securities	229,879	288,968
Investments in Project Partnerships, Net	376,275	550,146
Total Assets	$1,073,840	$1,298,281
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 87,203	$ 87,779
Total Current Liabilities	87,203	87,779
Long-Term Liabilities:		
Payable to General Partners	455,765	417,637
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	601,187	860,560
General Partners	(70,315)	(67,695)
Total Partners' Equity	530,872	792,865
Total Liabilities and Partners' Equity	$1,073,840	$1,298,281

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

SERIES 6	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 447,585	$ 455,377
Investments in Securities	66,339	62,622
Total Current Assets	513,924	517,999
Investments in Securities	193,328	241,587
Investments in Project Partnerships, Net	1,024,672	1,257,026
Total Assets	$1,731,924	$2,016,612
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 83,931	$ 83,891
Total Current Liabilities	83,931	83,891
Long-Term Liabilities:		
Payable to General Partners	586,023	536,157
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	1,140,076	1,471,324
General Partners	(78,106)	(74,760)
Total Partners' Equity	1,061,970	1,396,564
Total Liabilities and Partners' Equity	$1,731,924	$2,016,612

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS
MARCH 31, 2003 AND 2002

TOTAL SERIES 2 - 6	2003	2002
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$1,551,488	$1,541,766
Investments in Securities	325,339	310,623
Total Current Assets	1,876,827	1,852,389
Investments in Securities	916,901	1,151,149
Investments in Project Partnerships, Net	1,478,240	2,016,815
Total Assets	$4,271,968	$5,020,353
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 349,751	$ 350,869
Total Current Liabilities	349,751	350,869
Long-Term Liabilities:		
Payable to General Partners	2,295,614	2,118,022
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, 2003 and 2002 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, 2003 and 2002, issued and outstanding	1,936,956	2,852,567
General Partners	(310,353)	(301,105)
Total Partners' Equity	1,626,603	2,551,462
Total Liabilities and Partners' Equity	$4,271,968	$5,020,353

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	2003	2002	2001
Revenues:			
Interest Income	$ 18,979	$ 25,806	$ 34,132
Other Income	12,665	10,860	8,982
Total Revenues	31,644	36,666	43,114
Expenses:			
Asset Management Fee-General Partner	68,021	68,197	68,361
General and Administrative:			
General Partner	18,483	11,737	9,149
Other	12,050	11,302	10,886
Amortization	696	697	1,801
Total Expenses	99,250	91,933	90,197
Loss Before Equity in Losses of Project Partnerships	(67,606)	(55,267)	(47,083)
Equity in Losses of Project Partnerships	(17,624)	(43,931)	(76,493)
Net Loss	$ (85,230)	$ (99,198)	$ (123,576)
Allocation of Net Loss:			
Assignees	$ (84,378)	$ (98,206)	$ (122,340)
General Partners	(852)	(992)	(1,236)
	$ (85,230)	$ (99,198)	$ (123,576)
Net Loss Per Beneficial Assignee Certificate	$ (13.75)	$ (16.00)	$ (19.94)
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	2003	2002	2001
Revenues:			
Interest Income	$ 16,784	$ 22,536	$ 29,545
Other Income	21,167	19,990	22,840
Total Revenues	37,951	42,526	52,385
Expenses:			
Asset Management Fee-General Partner	62,667	62,892	63,104
General and Administrative:			
General Partner	19,323	12,271	9,565
Other	12,669	11,864	11,179
Amortization	516	1,120	1,120
Total Expenses	95,175	88,147	84,968
Loss Before Equity in Losses of Project Partnerships	(57,224)	(45,621)	(32,583)
Equity in Losses of Project Partnerships	(25,505)	(34,441)	(26,094)
Net Loss	$ (82,729)	$ (80,062)	$ (58,677)
Allocation of Net Loss:			
Assignees	$ (81,902)	$ (79,261)	$ (58,090)
General Partners	(827)	(801)	(587)
	$ (82,729)	$ (80,062)	$ (58,677)
Net Loss Per Beneficial Assignee Certificate	$ (15.01)	$ (14.53)	$ (10.65)
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	2003	2002	2001
Revenues:			
Interest Income	$ 21,475	$ 29,219	$ 38,975
Other Income	14,116	15,207	12,170
Total Revenues	35,591	44,426	51,145
Expenses:			
Asset Management Fee - General Partner	77,271	77,474	77,661
General and Administrative:			
General Partner	24,365	15,471	12,060
Other	15,376	14,584	13,636
Amortization	1,235	3,949	5,288
Total Expenses	118,247	111,478	108,645
Loss Before Equity in Losses of Project Partnerships	(82,656)	(67,052)	(57,500)
Equity in Losses of Project Partnerships	(77,657)	(118,314)	(254,163)
Net Loss	$(160,313)	$(185,366)	$(311,663)
Allocation of Net Loss:			
Assignees	$(158,710)	$(183,512)	$(308,546)
General Partners	(1,603)	(1,854)	(3,117)
	$(160,313)	$(185,366)	$(311,663)
Net Loss Per Beneficial Assignee Certificate	$ (22.95)	$ (26.54)	$ (44.62)
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	2003	2002	2001
Revenues:			
Interest Income	$ 27,167	$ 37,335	$ 50,345
Other Income	20,909	21,532	13,899
Total Revenues	48,076	58,867	64,244
Expenses:			
Asset Management Fee - General Partner	95,480	95,755	96,008
General and Administrative:			
General Partner	30,245	19,205	14,972
Other	20,045	17,747	16,520
Amortization	4,807	5,110	5,110
Total Expenses	150,577	137,817	132,610
Loss Before Equity in Losses of Project Partnerships	(102,501)	(78,950)	(68,366)
Equity in Losses of Project Partnerships	(159,492)	(189,327)	(179,765)
Net Loss	$(261,993)	$(268,277)	$(248,131)
Allocation of Net Loss:			
Assignees	$(259,373)	$(265,594)	$(245,650)
General Partners	(2,620)	(2,683)	(2,481)
	$(261,993)	$(268,277)	$(248,131)
Net Loss Per Beneficial Assignee Certificate	$ (30.10)	$ (30.83)	$ (28.51)
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	2003	2002	2001
Revenues:			
Interest Income	$ 25,421	$ 35,129	$ 48,609
Other Income	16,919	17,654	8,932
Total Revenues	42,340	52,783	57,541
Expenses:			
Asset Management Fee - General Partner	105,376	105,753	106,125
General and Administrative:			
General Partner	31,926	20,272	15,803
Other	20,786	19,028	18,600
Amortization	8,896	9,451	13,314
Total Expenses	166,984	154,504	153,842
Loss Before Equity in Losses of Project Partnerships	(124,644)	(101,721)	(96,301)
Equity in Losses of Project Partnerships	(209,950)	(306,042)	(384,730)
Net Loss	$(334,594)	$(407,763)	$(481,031)
Allocation of Net Loss:			
Assignees	$(331,248)	$(403,685)	$(476,221)
General Partners	(3,346)	(4,078)	(4,810)
	$(334,594)	$(407,763)	$(481,031)
Net Loss Per Beneficial Assignee Certificate	$ (32.78)	$ (39.95)	$ (47.13)
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	2003	2002	2001
Revenues:			
Interest Income	$ 109,826	$ 150,025	$ 201,606
Other Income	85,776	85,243	66,823
Total Revenues	195,602	235,268	268,429
Expenses:			
Asset Management Fee-General Partner	408,815	410,071	411,259
General and Administrative:			
General Partner	124,342	78,956	61,549
Other	80,926	74,525	70,821
Amortization	16,150	20,327	26,633
Total Expenses	630,233	583,879	570,262
Loss Before Equity in Losses of Project Partnerships	(434,631)	(348,611)	(301,833)
Equity in Losses of Project Partnerships	(490,228)	(692,055)	(921,245)
Net Loss	$ (924,859)	$(1,040,666)	$(1,223,078)
Allocation of Net Loss:			
Assignees	$ (915,611)	$(1,030,258)	$(1,210,847)
General Partners	(9,248)	(10,408)	(12,231)
	$ (924,859)	$(1,040,666)	$(1,223,078)

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, 2003, 2002 AND 2001:

SERIES 2

	Assignees	General Partners	Total
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
Net Loss	(84,378)	(852)	(85,230)
Balance at March 31, 2003	$ 61,063	$ (53,726)	$ 7,337

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, 2003, 2002 AND 2001:

SERIES 3	Assignees	General Partners	Total
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
Net Loss	(81,902)	(827)	(82,729)
Balance at March 31, 2003	$ 52,562	$ (47,768)	$ 4,794

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, 2003, 2002 AND 2001:

SERIES 4

	Assignees	General Partners	Total
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
Net Loss	(158,710)	(1,603)	(160,313)
Balance at March 31, 2003	$ 82,068	$ (60,438)	$ 21,630

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, 2003, 2002 AND 2001:

SERIES 5

	Assignees	General Partners	Total
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
Net Loss	(259,373)	(2,620)	(261,993)
Balance at March 31, 2003	$ 601,187	$ (70,315)	$ 530,872

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, 2003, 2002 AND 2001:

SERIES 6	Assignees	General Partners	Total
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
Net Loss	(331,248)	(3,346)	(334,594)
Balance at March 31, 2003	$ 1,140,076	$ (78,106)	$ 1,061,970

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, 2003, 2002 AND 2001:

TOTAL SERIES 2 - 6	Assignees	General Partners	Total
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
Net Loss	(915,611)	(9,248)	(924,859)
Balance at March 31, 2003	$ 1,936,956	$(310,353)	$ 1,626,603

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, 2003, 2002 AND 2001:

SERIES 2	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$(85,230)	$(99,198)	$(123,576)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	696	697	1,801
Accreted Interest Income on Investments in Securities	(16,515)	(19,381)	(21,814)
Equity in Losses of Project Partnerships	17,624	43,931	76,493
Interest Income from Redemption of Securities	30,400	26,907	23,537
Distributions Included in Other Income	(12,665)	(10,860)	(8,982)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	33,077	40,393	35,262
Net Cash Used in Operating Activities	(32,613)	(17,511)	(17,279)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	14,265	12,460	14,374
Redemption of Investment in Securities	25,698	26,928	28,263
Net Cash Provided by Investing Activities	39,963	39,388	42,637
Increase in Cash and Cash Equivalents	7,350	21,877	25,358
Cash and Cash Equivalents at Beginning of Year	235,805	213,928	188,570
Cash and Cash Equivalents at End of Year	$ 243,155	$ 235,805	$ 213,928

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, 2003, 2002 AND 2001:

SERIES 3	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$ (82,729)	$ (80,062)	$ (58,677)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	516	1,120	1,120
Accreted Interest Income on Investments in Securities	(14,689)	(17,239)	(19,403)
Equity in Losses of Project Partnerships	25,505	34,441	26,094
Interest Income from Redemption of Securities	27,037	23,934	20,936
Distributions Included In Other Income	(21,167)	(19,990)	(22,840)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	22,976	33,291	25,081
Net Cash Used in Operating Activities	(42,551)	(24,505)	(27,689)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	23,114	20,966	24,678
Redemption of Investment in Securities	22,859	23,952	25,139
Net Cash Provided by Investing Activities	45,973	44,918	49,817
Increase in Cash and Cash Equivalents	3,422	20,413	22,128
Cash and Cash Equivalents at Beginning of Year	198,028	177,615	155,487
Cash and Cash Equivalents at End of Year	$ 201,450	$ 198,028	$ 177,615

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, 2003, 2002 AND 2001:

SERIES 4	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$(160,313)	$(185,366)	$(311,663)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	1,235	3,949	5,288
Accreted Interest Income on Investments in Securities	(18,610)	(21,840)	(24,581)
Equity in Losses of Project Partnerships	77,657	118,314	254,163
Interest Income from Redemption of Securities	34,256	30,322	26,523
Distributions Included In Other Income	(14,116)	(15,207)	(12,170)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	32,963	42,280	36,712
Net Cash Used in Operating Activities	(46,928)	(27,548)	(25,728)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	19,685	19,892	16,722
Redemption of Investment in Securities	28,960	30,344	31,849
Net Cash Provided by Investing Activities	48,645	50,236	48,571
Increase in Cash and Cash Equivalents	1,717	22,688	22,843
Cash and Cash Equivalents at Beginning of Year	272,179	249,491	226,648
Cash and Cash Equivalents at End of Year	$ 273,896	$ 272,179	$ 249,491

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, 2003, 2002 AND 2001:

SERIES 5	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$(261,993)	$(268,277)	$(248,131)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	4,807	5,110	5,110
Accreted Interest Income on Investments in Securities	(23,195)	(27,221)	(30,637)
Equity in Losses of Project Partnerships	159,492	189,327	179,765
Interest Income from Redemption of Securities	42,695	37,793	33,057
Distributions Included In Other Income	(20,909)	(21,532)	(13,899)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	37,552	47,327	38,940
Net Cash Used in Operating Activities	(61,551)	(37,473)	(35,795)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	30,482	29,176	28,246
Redemption of Investment in Securities	36,094	37,820	39,696
Net Cash Provided by Investing Activities	66,576	66,996	67,942
Increase in Cash and Cash Equivalents	5,025	29,523	32,147
Cash and Cash Equivalents at Beginning of Year	380,377	350,854	318,707
Cash and Cash Equivalents at End of Year	$ 385,402	$ 380,377	$ 350,854

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, 2003, 2002 AND 2001:

SERIES 6	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$(334,594)	$(407,763)	$(481,031)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	8,896	9,451	13,314
Accreted Interest Income on Investments in Securities	(21,459)	(24,458)	(26,573)
Equity in Losses of Project Partnerships	209,950	306,042	384,730
Interest Income from Redemption of Securities	33,739	28,941	24,290
Distributions Included In Other Income	(16,919)	(17,654)	(8,932)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	49,906	60,111	51,927
Net Cash Used in Operating Activities	(70,481)	(45,330)	(42,275)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	30,427	30,012	23,401
Redemption of Investment in Securities	32,262	33,059	33,710
Net Cash Provided by Investing Activities	62,689	63,071	57,111
Increase (Decrease) in Cash and Cash Equivalents	(7,792)	17,741	14,836
Cash and Cash Equivalents at Beginning of Year	455,377	437,636	422,800
Cash and Cash Equivalents at End of Year	$ 447,585	$ 455,377	$ 437,636

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, 2003, 2002 AND 2001:

TOTAL SERIES 2 - 6	2003	2002	2001
Cash Flows from Operating Activities:			
Net Loss	$(924,859)	$(1,040,666)	$(1,223,078)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	16,150	20,327	26,633
Accreted Interest Income on Investments in Securities	(94,468)	(110,139)	(123,008)
Equity in Losses of Project Partnerships	490,228	692,055	921,245
Interest Income from Redemption of Securities	168,127	147,897	128,343
Distributions Included In Other Income	(85,776)	(85,243)	(66,823)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	176,474	223,402	187,922
Net Cash Used in Operating Activities	(254,124)	(152,367)	(148,766)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	117,973	112,506	107,421
Redemption of Investment in Securities	145,873	152,103	158,657
Net Cash Provided by Investing Activities	263,846	264,609	266,078
Increase in Cash and Cash Equivalents	9,722	112,242	117,312
Cash and Cash Equivalents at Beginning of Year	1,541,766	1,429,524	1,312,212
Cash and Cash Equivalents at End of Year	$ 1,551,488	$ 1,541,766	$1,429,524

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003, 2002 AND 2001

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, 2003, 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, 2003. 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 2002 and 2001 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2003.

Recent Accounting Pronouncements

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

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN46 must be applied for the first interim or annual period beginning after June 15, 2003. The Partnership is currently evaluating the effect, if any, that the adoption of FIN46 will have on its results of operations and financial condition.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2003 Balance Sheet includes Investment in Securities consisting of U.S. Government Security Strips which represents their cost, plus accreted interest income of $129,514 for Series 2, $115,200 for Series 3, $145,946 for Series 4, $181,903 for Series 5 and $139,250 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	$ 242,427	$ 222,258	$ 20,169
Series 3	215,563	197,694	17,869
Series 4	273,204	250,458	22,746
Series 5	340,410	312,163	28,247
Series 6	292,364	259,667	32,697

As of March 31, 2003, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
Due within 1 year	$ 58,586	$ 52,111	$ 66,019
After 1 year through 5 years	163,672	145,583	184,439
Total Amount Carried on Balance Sheet	$ 222,258	$ 197,694	$ 250,458

	Series 5	Series 6	Total
Due within 1 year	$ 82,284	$ 66,339	$ 325,339
After 1 year through 5 years	229,879	193,328	916,901
Total Amount Carried on Balance Sheet	$ 312,163	$ 259,667	$1,242,240

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, 2003, 2002 and 2001 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.

	2003	2002	2001
Series 2	$ 68,021	$ 68,197	$ 68,361
Series 3	62,667	62,892	63,104
Series 4	77,271	77,474	77,661
Series 5	95,480	95,755	96,008
Series 6	105,376	105,753	106,125
Total	$ 408,815	$ 410,071	$ 411,259

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.

	2003	2002	2001
Series 2	$ 18,483	$ 11,737	$ 9,149
Series 3	19,323	12,271	9,565
Series 4	24,365	15,471	12,060
Series 5	30,245	19,205	14,972
Series 6	31,926	20,272	15,803
Total	$124,342	$ 78,956	$ 61,549

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 2

As of March 31, 2003, 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, 2003	MARCH 31, 2002
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)	(4,691,275)	(4,673,651)
Cumulative distributions received from Project Partnerships	(82,805)	(81,202)
Investment in Project Partnerships before Adjustment	(249,402)	(230,175)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	390,838	390,838
Accumulated amortization of acquisition fees and expenses	(83,055)	(82,362)
Investments in Project Partnerships	$ 58,381	$ 78,301

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,619,969 for the year ended March 31, 2003 and cumulative suspended losses of $2,940,699 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 3

As of March 31, 2003, 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, 2003	MARCH 31, 2002
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)	(4,128,342)	(4,102,836)
Cumulative distributions received from Project Partnerships	(163,436)	(161,490)
Investment in Project Partnerships before Adjustment	(403,065)	(375,613)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	491,746	491,746
Accumulated amortization of acquisition fees and expenses	(82,048)	(81,532)
Investments in Project Partnerships	$ 6,633	$ 34,601

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,423,589 for the year ended March 31, 2003 and cumulative suspended losses of $3,840,222 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 4

As of March 31, 2003, 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, 2003	MARCH 31, 2002
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)	(5,260,142)	(5,182,485)
Cumulative distributions received from Project Partnerships	(121,974)	(116,404)
Investment in Project Partnerships before Adjustment	(429,597)	(346,370)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	562,967	562,967
Accumulated amortization of acquisition fees and expenses	(121,091)	(119,856)
Investments in Project Partnerships	$ 12,279	$ 96,741

1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,390,030 for the year ended March 31, 2003 and cumulative suspended losses of $2,771,886 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 5

As of March 31, 2003, 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, 2003	MARCH 31, 2002
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)	(6,114,123)	(5,954,631)
Cumulative distributions received from Project Partnerships	(188,111)	(178,539)
Investment in Project Partnerships before Adjustment	(137,762)	31,302
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	650,837	650,837
Accumulated amortization of acquisition fees and expenses	(136,800)	(131,993)
Investments in Project Partnerships	$ 376,275	$ 550,146

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,001,897 for the year ended March 31, 2003 and cumulative suspended losses of $3,217,418 for the year ended March 31, 2002 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 6

As of March 31, 2003, 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, 2003	MARCH 31, 2002
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)	(6,830,543)	(6,620,593)
Cumulative distributions received from Project Partnerships	(204,108)	(190,600)
Investment in Project Partnerships before Adjustment	427,564	651,022
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	785,179	785,179
Accumulated amortization of acquisition fees and expenses	(188,071)	(179,175)
Investments in Project Partnerships	$ 1,024,672	$ 1,257,026

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,752,730 for the year ended March 31, 2003 and cumulative suspended losses of $2,161,546 for the year ended March 31, 2002 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, 2003	MARCH 31, 2002
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)	(27,024,425)	(26,534,196)
Cumulative distributions received from Project Partnerships	(760,434)	(728,235)
Investment in Project Partnerships before Adjustment	(792,262)	(269,834)
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	(611,065)	(594,918)
Investments in Project Partnerships	$ 1,478,240	$ 2,016,815

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 2	DECEMBER 31, 2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,996,703	$ 2,024,736	$ 2,037,305
Investment properties, net	17,389,222	18,177,780	19,005,313
Other assets	30,833	770	770
Total assets	$19,416,758	$20,203,286	$21,043,388
Liabilities and Partners' Equity:			
Current liabilities	$ 479,598	$ 455,273	$ 471,487
Long-term debt	22,911,635	22,983,936	23,050,161
Total liabilities	23,391,233	23,439,209	23,521,648
Partners' equity			
Limited Partner	(3,898,565)	(3,187,246)	(2,461,788)
General Partners	(75,910)	(48,677)	(16,472)
Total Partners' equity	(3,974,475)	(3,235,923)	(2,478,260)
Total liabilities and partners' equity	$19,416,758	$20,203,286	$21,043,388
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,185,769	$ 4,088,506	$ 4,076,622
Expenses:			
Operating expenses	2,005,732	1,902,218	1,761,220
Interest expense	2,019,497	2,034,652	2,039,917
Depreciation and amortization	864,473	865,003	893,266
Total expenses	4,889,702	4,801,873	4,694,403
Net loss	$ (703,933)	$ (713,367)	$ (617,781)
Other partners' share of net loss	$ (7,039)	$ (7,134)	$ (6,178)
Partnership’s share of net loss	$ (696,894)	$ (706,233)	$ (611,603)
Suspended losses	679,270	662,302	535,110
Equity in Losses of Project Partnerships	$ (17,624)	$ (43,931)	$ (76,493)

As of December 31, 2002, the largest Project Partnership constituted 13.4% and 14.0%, and as of December 31, 2001 the largest Project Partnership constituted 12.2% and 13.6% 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:

	DECEMBER 31,		
SERIES 3	2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,494,464	$ 2,142,126	$ 2,203,617
Investment properties, net	14,677,423	15,257,023	16,040,624
Other assets	207,241	181,645	190,282
Total assets	$17,379,128	$17,580,794	$18,434,523
Liabilities and Partners' Equity:			
Current liabilities	$ 767,216	$ 518,692	$ 515,063
Long-term debt	21,388,284	21,482,917	21,568,724
Total liabilities	22,155,500	22,001,609	22,083,787
Partners' equity			
Limited Partner	(5,199,220)	(4,567,560)	(3,830,418)
General Partners	422,848	146,745	181,154
Total Partners' equity	(4,776,372)	(4,420,815)	(3,649,264)
Total liabilities and partners' equity	$17,379,128	$17,580,794	$18,434,523
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 3,894,384	$ 3,967,831	$ 3,921,448
Expenses:			
Operating expenses	1,846,763	1,809,964	1,782,758
Interest expense	1,705,335	1,931,889	1,943,451
Depreciation and amortization	961,550	946,476	941,538
Total expenses	4,513,648	4,688,329	4,667,747
Net loss	$ (619,264)	$ (720,498)	$ (746,299)
Other partners' share of net loss	$ (10,391)	$ (10,153)	$ (10,887)
Partnership’s share of net loss	$ (608,873)	$ (710,345)	$ (735,412)
Suspended losses	583,368	675,904	709,318
Equity in Losses of Project Partnerships	$ (25,505)	$ (34,441)	$ (26,094)

As of December 31, 2002, the largest Project Partnership constituted 8.2% and 8.1%, and as of December 31, 2001 the largest Project Partnership constituted 6.6% and 6.3% 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, 2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,096,991	$ 2,223,546	$ 2,319,692
Investment properties, net	21,967,065	21,695,221	22,426,102
Other assets	98,167	7,687	8,059
Total assets	$24,162,223	$23,926,454	$24,753,853
Liabilities and Partners' Equity:			
Current liabilities	$ 1,042,776	$ 706,112	$ 629,914
Long-term debt	26,217,878	26,300,200	26,375,576
Total liabilities	27,260,654	27,006,312	27,005,490
Partners' equity			
Limited Partner	(3,856,877)	(3,142,028)	(2,353,411)
General Partners	758,446	62,170	101,774
Total Partners' equity	(3,098,431)	(3,079,858)	(2,251,637)
Total liabilities and partners' equity	$24,162,223	$23,926,454	$24,753,853
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,729,907	$ 4,691,169	$ 4,552,896
Expenses:			
Operating expenses	2,278,471	2,370,889	2,321,963
Interest expense	2,111,419	2,116,061	2,113,809
Depreciation and amortization	1,044,807	979,666	976,176
Total expenses	5,434,697	5,466,616	5,411,948
Net loss	$ (704,790)	$ (775,447)	$ (859,052)
Other partners' share of net loss	$ (8,990)	$ (9,390)	$ (11,904)
Partnership’s share of net loss	$ (695,800)	$ (766,057)	$ (847,148)
Suspended losses	618,143	647,743	592,985
Equity in Losses of Project Partnerships	$ (77,657)	$ (118,314)	$ (254,163)

As of December 31, 2002, the largest Project Partnership constituted 8.2% and 6.3%, and as of December 31, 2001 the largest Project Partnership constituted 6.3% and 6.1% 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 5	DECEMBER 31, 2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,992,231	$ 2,984,516	$ 2,911,097
Investment properties, net	25,673,688	26,874,152	28,099,333
Other assets	133,044	2,302	2,552
Total assets	$28,798,963 **Error! Not a valid link.**	$29,860,970	$31,012,982
Liabilities and Partners' Equity:			
Current liabilities	$ 803,333	$ 735,358	$ 733,324
Long-term debt	32,351,185	32,462,257	32,564,539
Total liabilities	33,154,518	33,197,615	33,297,863
Partners' equity			
Limited Partner	(4,110,580)	(3,138,040)	(2,139,036)
General Partners	(244,975)	(198,605)	(145,845)
Total Partners' equity	(4,355,555)	(3,336,645)	(2,284,881)
Total liabilities and partners' equity	$28,798,963	$29,860,970	$31,012,982
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,359,025	$ 5,345,086	$ 5,291,101
Expenses:			
Operating expenses	2,910,555	2,776,878	2,708,108
Interest expense	2,121,354	2,259,308	2,277,520
Depreciation and amortization	1,280,622	1,294,116	1,283,498
Total expenses	6,312,531	6,330,302	6,269,126
Net loss	$ (953,506)	$ (985,216)	$ (978,025)
Other partners' share of net loss	$ (9,535)	$ (9,852)	$ (9,780)
Partnership's share of net loss	$ (943,971)	$ (975,364)	$ (968,245)
Suspended losses	784,479	786,037	788,480
Equity in Losses of Project Partnerships	$ (159,492)	$ (189,327)	$ (179,765)

As of December 31, 2002, the largest Project Partnership constituted 8.0% and 8.6%, and as of December 31, 2001 the largest Project Partnership constituted 8.1% 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:

		DECEMBER 31,	
SERIES 6	2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,483,867	$ 3,313,947	$ 3,196,719
Investment properties, net	29,526,496	30,748,096	31,966,534
Other assets	21,090	4,626	4,857
Total assets	$33,031,453 **Error! Not a valid link.**	$34,066,669	$35,168,110
Liabilities and Partners' Equity:			
Current liabilities		$ 739,207	$ 697,789
Long-term debt		35,191,000	35,341,376
	$ 729,972		
Total liabilities	35,038,427	35,930,207	36,039,165
Partners' equity	35,768,399		
Limited Partner		(1,523,911)	(576,890)
General Partners		(339,627)	(294,165)
Total Partners' equity	(2,353,217)	(1,863,538)	(871,055)
	(383,729)		
Total liabilities and partners' equity	(2,736,946)	$34,066,669	$35,168,110
SUMMARIZED STATEMENTS OF OPERATIONS	$33,031,453		
Rental and other income		$ 5,951,586	$ 5,737,151
Expenses:			
Operating expenses	$ 5,978,366	2,826,568	2,604,025
Interest expense		2,704,167	2,715,299
Depreciation and amortization	2,948,945	1,347,661	1,337,714
Total expenses	2,478,366 1,361,813	6,878,396	6,657,038
Net loss	6,789,124	$ (926,810)	$ (919,887)
Other partners' share of net loss	$ (810,758)	$ (11,421)	$ (12,093)
Partnership’s share of net loss	$ (9,624)	$ (915,389)	$ (907,794)
Suspended losses	$ (801,134)	609,347	523,064
Equity in Losses of Project Partnerships	591,184	$ (306,042)	$ (384,730)
	$ (209,950)		

As of December 31, 2002, the largest Project Partnership constituted 6.5% and 6.7%, and as of December 31, 2001 the largest Project Partnership constituted 6.5% and 6.3% 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, 2002	2001	2000
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 13,064,256	$ 12,688,871	$ 12,668,430
Investment properties, net	109,233,894	112,752,272	117,537,906
Other assets	490,375	197,030	206,520
Total assets	$122,788,525 Error! Not a valid link.	$125,638,173	$130,412,856
Liabilities and Partners' Equity:			
Current liabilities	$ 3,822,895	$ 3,154,642	$ 3,047,577
Long-term debt	137,907,409	138,420,310	138,900,376
Total liabilities	141,730,304	141,574,952	141,947,953
Partners' equity			
Limited Partner	(19,418,459)	(15,558,785)	(11,361,543)
General Partners	476,680	(377,994)	(173,554)
Total Partners' equity	(18,941,779)	(15,936,779)	(11,535,097)
Total liabilities and partners' equity	$122,788,525	$125,638,173	$130,412,856
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 24,147,451	$ 24,044,178	$ 23,579,218
Expenses:			
Operating expenses	11,990,466	11,686,517	11,178,074
Interest expense	10,435,971	11,046,077	11,089,996
Depreciation and amortization	5,513,265	5,432,922	5,432,192
Total expenses	27,939,702	28,165,516	27,700,262
Net loss	$ (3,792,251)	$ (4,121,338)	$ (4,121,044)
Other partners' share of net loss	$ (45,579)	$ (47,950)	$ (50,842)
Partnership’s share of net loss	$ (3,746,672)	$ (4,073,388)	$ (4,070,202)
Suspended losses	3,256,444	3,381,333	3,148,957
Equity in Losses of Project Partnerships	$ (490,228)	$ (692,055)	$ (921,245)

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	$ (3,898,565)	$ (249,402)
Series 3	(5,199,220)	(403,065)
Series 4	(3,856,877)	(429,597)
Series 5	(4,110,580)	(137,762)
Series 6	(2,353,217)	427,564

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	2003	2002	2001
Net Loss per Financial Statements	$ (85,230)	$ (99,198)	$ (123,576)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(796,760)	(766,507)	(607,544)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	964	2,365	(1,157)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	35,197	33,368	34,070
Amortization Expense	(131)	703	2,074
Other Adjustments	(10,860)	(8,982)	(7,170)
Partnership loss for tax purposes as of December 31	$ (856,820)	$ (838,251)	$ (703,303)

	December 31, 2002	December 31, 2001	December 31, 2000
Federal Low Income Housing Tax Credits (Unaudited)	$ 17,131	$ 393,435	$ 1,007,776

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 58,381	$(4,843,371)	$ 4,901,752
Other Assets	$ 465,413	$ 1,191,624	$ (726,211)
Liabilities	$ 516,457	$ 6,304	$ 510,153

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	2003	2002	2001
Net Loss per Financial Statements	$ (82,729)	$ (80,062)	$ (58,677)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(622,341)	(701,962)	(729,147)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	426	6,785	2,342
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	25,116	25,902	23,675
Amortization Expense	1,120	1,121	(320)
Other Adjustments	(19,990)	(22,840)	(22,645)
Partnership loss for tax purposes as of December 31	$ (698,398)	$ (771,056)	$ (784,772)

	December 31, 2002	December 31, 2001	December 31, 2000
Federal Low Income Housing Tax Credits (Unaudited)	$ 7,517	$ 33,914	$ 246,310

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 6,633	$(4,533,173)	$4,539,806
Other Assets	$ 399,144	$ 1,046,738	$ (647,594)
Liabilities	$ 400,983	$ 6,875	$ 394,108

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	2003	2002	2001
Net Loss per Financial Statements	$ (160,313)	$ (185,366)	$ (311,663)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(827,686)	(792,465)	(733,176)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	1,588	2,098	(255)
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	35,743	32,919	34,814
Amortization Expense	2,947	4,262	5,852
Other Adjustments	(15,207)	(12,169)	(11,033)
Partnership loss for tax purposes as of December 31	$ (962,928)	$ (950,721)	$(1,015,461)

	December 31, 2002	December 31, 2001	December 31, 2000
Federal Low Income Housing Tax Credits (Unaudited)	$ 20,620	$ 571,729	$ 1,157,673

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 12,279	$(5,423,136)	$ 5,435,415
Other Assets	$ 524,354	$ 1,348,786	$ (824,432)
Liabilities	$ 515,003	$ 8,871	$ 506,132

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	2003	2002	2001
Net Loss per Financial Statements	$ (261,993)	$ (268,277)	$ (248,131)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(886,046)	(904,115)	(866,880)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	4,599	487	4,320
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	41,264	35,487	36,613
Amortization Expense	5,110	4,324	5,883
Other Adjustments	(21,532)	(13,898)	(17,118)
Partnership loss for tax purposes as of December 31	$(1,118,598)	$(1,145,992)	$(1,085,313)

	December 31, 2002	December 31, 2001	December 31, 2000
Federal Low Income Housing Tax Credits (Unaudited)	$ 471,321	$ 1,325,419	$ 1,432,923

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 376,275	$(5,034,332)	$ 5,410,607
Other Assets	$ 697,565	$ 1,719,712	$(1,022,147)
Liabilities	$ 542,968	$ 10,814	$ 532,154

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	2003	2002	2001
Net Loss per Financial Statements	$ (334,594)	$ (407,763)	$ (481,031)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(805,019)	(813,890)	(734,221)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	5,776	(4,523)	1,053
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	53,540	48,192	49,073
Amortization Expense	6,552	12,066	14,175
Other Adjustments	(17,654)	(8,930)	(8,057)
Partnership loss for tax purposes as of December 31	$(1,091,399)	$(1,174,848)	$(1,159,008)

	December 31, 2002	December 31, 2001	December 31, 2000
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,311,025	$ 1,690,264	$ 1,690,085

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$1,024,672	$(3,932,765)	$ 4,957,437
Other Assets	$ 707,252	$ 1,873,762	$(1,166,510)
Liabilities	$ 669,954	$ 12,077	$ 657,877

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	2003	2002	2001
Net Loss per Financial Statements	$ (924,859)	$(1,040,666)	$(1,223,078)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(3,937,852)	(3,978,939)	(3,670,968)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	13,353	7,213	6,303
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	190,860	175,868	178,245
Amortization Expense	15,598	22,476	27,664
Other Adjustments	(85,243)	(66,819)	(66,023)
Partnership loss for tax purposes as of December 31	$(4,728,143)	$(4,880,867)	$(4,747,857)

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, 2003 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$1,478,240	$(23,766,777)	$25,245,017
Other Assets	$2,793,728	$ 7,180,622	$(4,386,894)
Liabilities	$2,645,365	$ 44,941	$ 2,600,424

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 2

Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 4,697	$ 4,978	$ 4,755	$ 17,214
Net Income (Loss)	$ (46,047)	$ (40,362)	$ (38,596)	$ 39,775
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (7.43)	$ (6.51)	$ (6.23)	$ 6.42

Series 3

Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 4,153	$ 4,406	$ 4,197	$ 25,195
Net Income (Loss)	$ (35,205)	$ (12,194)	$ (21,756)	$ (13,574)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (6.39)	$ (2.21)	$ (3.95)	$ (2.46)

Series 4

Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 5,320	$ 5,650	$ 5,375	$ 19,246
Net Income (Loss)	$ (80,827)	$ (36,011)	$ (29,532)	$ (13,943)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (11.57)	$ (5.16)	$ (4.23)	$ (1.99)

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

Series 5 Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 6,747	$ 7,174	$ 6,790	$ 27,365
Net Income (Loss)	$ (44,123)	$ (64,429)	$ (71,012)	$ (82,429)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (5.07)	$ (7.40)	$ (8.16)	$ (9.47)

Series 6 Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 6,789	$ 6,769	$ 6,576	$ 22,206
Net Income (Loss)	$ (90,290)	$ (76,069)	$ (86,274)	$ (81,961)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (8.85)	$ (7.45)	$ (8.45)	$ (8.03)

Series 2 - 6 Year 2003	Quarter 1 6/30/2002	Quarter 2 9/30/2002	Quarter 3 12/31/2002	Quarter 4 3/31/2003
Total Revenues	$ 27,706	$ 28,977	$ 27,693	$ 111,226
Net Income (Loss)	$(296,492)	$(229,065)	$(247,170)	$(152,132)

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

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 8 - SUBSEQUENT EVENTS

In 2003, a General Partner of one Project Partnership in Series 3 and seven Project Partnerships in Series 4 plead guilty to fraud and conspiracy charges relating to these project partnerships and other partnerships not related to Gateway Tax Credit Fund II, LTD. The Partnership is in the process of substituting a new General Partner and does not feel that this situation will have a material impact on the financial statements.

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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, 2002 and 2001 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 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, 2002 and 2001 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 21, 2003 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 21, 2003

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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, 2002 and 2001 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, 2002 and 2001 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 14, 2003 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 14, 2003

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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, 2002 and 2001 and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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, 2002 and 2001 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 21, 2003 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 21, 2003

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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, 2002 and 2001 and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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, 2002 and 2001 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 17, 2003 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

January 17, 2003

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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, 2002 and 2001, 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, 2002 and 2001, 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 23, 2003 on our consideration of the Richland Elderly Housing, Ltd.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of the Pearson Elderly Housing, Ltd.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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 Lake Park Apartments, Ltd. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of the Lake Park Apartments, Ltd.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of the Lakeland Elderly Housing, Ltd.'s internal control structure and report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration'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, 2002 and 2001, 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, issued by the Comptroller General of the United States, we have also issued our report dated January 28, 2003, on our consideration of WOODLAND TERRACE APARTMENTS, LTD., L.L.L.P.'s internal control and a report dated January 28, 2003, 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 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 28, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration'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, 2002 and 2001, 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, issued by the Comptroller General of the United States, we have also issued our report dated January 31, 2003, on our consideration of MANCHESTER HOUSING, LTD., L.L.L.P.'s internal control and a report dated January 31, 2003, 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 12-15 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 31, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated February 10, 2003 on our consideration of Heritage Villas, L.P.'s internal control structure and its compliance with laws and regulations.

/s/ M. Paul Nichols, Jr., CPA, PC
Certified Public Accountant and Consultant

February 10, 2003

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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, 2002 and 2001, and the related statements of operations, changes in 2003, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration'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, 2002 and 2001, 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, issued by the Comptroller General of the United States, we have also issued our report dated January 31, 2003 on our consideration of CRISP PROPERTIES, L.L.L.P.'s internal control and a report dated January 31, 2003 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 11-14 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 31, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial sudits contained in 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, 2002 and 2001, 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, issued by the Comptroller General of the United States, we have also issued our report dated January 31, 2003, on our consideration of BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II’S internal control and a report dated January 31, 2003, 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 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 31, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of Crawford Rental Housing, L.P.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of the Shellman Housing L.P.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2003 on our consideration of the Greensboro Properties, L.P., Phase II's internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated January 23, 2003 on our consideration of Dawson Elderly, L.P.'s internal control structure and a report dated January 23, 2003 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 23, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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, 2002 and 2001, 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, 2003, on our consideration of PIEDMONT DEVELOPMENT COMPANY OF LAMAR COUNTY, LTD.'s internal control and a report dated February 5, 2003, on its compliance with laws and regulations applicable to the financial statements.

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

February 5, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2002 and 2001, 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, 2003 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, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LOGANSPORT SENIORS APARTMENTS as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 17 through 28, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2003 on our consideration of LOGANSPORT SENIORS APARTMENTS's internal control and a report dated April 22, 2003 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
April 22, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TARPON HEIGHTS APARTMENTS, as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 16 through 27, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 29, 2003 on our consideration of TARPON HEIGHTS APARTMENT's internal control and a report dated March 29, 2003 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
March 29, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THE OAKS APARTMENTS as of December 31, 2002 and 2001 and the results of its operations, changes in partners’ equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2003 on our consideration of THE OAKS APARTMENTS’ internal control and a report dated March 31, 2003 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
March 31, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SONORA SENIORS APARTMENTS as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2003 on our consideration of SONORA SENIORS APARTMENT's internal control and a report dated March 2, 2003 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
March 2, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FREDERICKSBURG SENIORS APARTMENTS, LTD. as of December 31, 2002 and 2001 and the results of its operations, changes in partners equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2003 on our consideration of FREDERICKSBURG SENIORS APARTMENTS, LTD.'s internal control and a report dated February 18, 2003 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 18, 2003

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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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRACKETTVILLE SENIORS APARTMENTS, LTD. as of December 31, 2002 and 2001 and the results of its operations, changes in partners' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 16 through 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 March 2, 2003 on our consideration of BRACKETTVILLE SENIORS APARTMENTS, LTD.'s internal control and a report dated March 2, 2003 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
March 2, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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, 2002 and 2001 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 15 through 25, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 19, 2003 on our consideration of TIMPSON SENIORS APARTMENT's internal control and a report dated February 19, 2003 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 19, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charleston Properties, A Limited Partnership, D/B/A Savannah Park of Charleston II as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, on our consideration of the Partnerships' 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 5, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sallisaw Properties II, A Limited Partnership, D/B/A Mayfair Place II Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pocola Properties, A Limited Partnership, D/B/A North Gate Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Poteau Properties II, A Limited Partnership, D/B/A North Pointe Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nowata Properties, A Limited Partnership, D/B/A Cross Creek II Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Sallisaw Properties, A Limited Partnership, D/B/A Garden Walk of Sallisaw as of December 31, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sallisaw Properties, A Limited Partnership, D/B/A Garden Walk of Sallisaw as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Roland Properties II, A Limited Partnership, D/B/A Garden Walk of Roland as of December 31, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roland Properties II, A Limited Partnership, D/B/A Garden Walk of Roland as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Stilwell Properties, A Limited Partnership, D/B/A Garden Walk of Stilwell as of December 31, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stilwell Properties, A Limited Partnership, D/B/A Garden Walk of Stilwell as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stilwell Properties II, A Limited Partnership, D/B/A Skywood II Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 Accountant

February 5, 2003

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

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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westville Properties, A Limited Partnership, D/B/A Greystone Place Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mill Creek Properties V, A Limited Partnership, D/B/A Pleasant Grove Apartments as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parsons Properties, A Limited Partnership, D/B/A Savannah Park of Parsons as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 20, 2003 on our consideration of Inverness Club, Ltd., L.P.'s internal control structure and a report dated January 20, 2003 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 20, 2003

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PHONE: 229-245-6040
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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 16, 2003 on our consideration of Carrollton Club, Ltd., L.P.'s internal control structure and a report dated January 16, 2003 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, 2003

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Amherst, NY 14226-1258
PHONE: 716-862-4270
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, 2002 and 2001, 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, 2002 and 2001, 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 24, 2003, on our consideration of Lewiston Limited Partnership's internal control structure and a report dated January 24, 2003, on its compliance with laws and regulations.

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

January 16, 2003

Miller & Rose, P.A.
1309 E. Race Avenue
Searcy, AR 72143
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FAX: 501-268-9362

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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 29, 2003 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. 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/ Miller & Rose, P.A.
Certified Public Accountants

January 29, 2003

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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 17, 2003 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 17, 2003

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Greensboro, NC 27410 (27419)
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FAX: 336-547-0840

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, 2002 and 2001, 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 Woodcrest Associates of South Boston, VA, Ltd. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2003, on our consideration of the Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

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

January 31, 2003

Thomas C. Cunningham, CPA PC
23 Moore Street
Bristol, VA 24201
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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, 2002 and 2001, 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, 2002 and 2001, 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, 2003 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, 2003

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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, 2002 and 2001, 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, 2002 and 2001, 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, 2003 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, 2003

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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, 2002 and 2001, 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, 2002 and 2001, 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, 2003 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, 2003

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23 Moore Street
Bristol, VA 24201
PHONE: 276-669-5531
FAX: 276-669-5576

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, 2002 and 2001, 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, 2002 and 2001, 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, 2003 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, 2003

Lou Ann Montey and Associates, P.C.
8400 N. Mopac Expressway, Suite 304
Austin, TX 78759
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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, 2002 and 2001, and the related statements of income (loss), partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 18, 2003, on our consideration of the internal control structure of Zapata Housing, Ltd.- (A Texas Limited Partnership) and a report dated February 18, 2003, on its compliance with laws and regulations.

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

Austin, Texas
February 18, 2003

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

INDEPENDENT AUDITORS' REPORT

To the Partners
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, 2002 and 2001, and the related statements of income (loss), partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2003, on our consideration of the internal control structure of Sinton Retirement, Ltd.- (A Texas Limited Partnership) and a report dated February 14, 2003, on its compliance with laws and regulations.

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

Austin, Texas
February 14, 2003

Gubler & Company, P.C.
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South Jordan, UT 84095
PHONE: 801-566-5866
FAX: 801-565-0509

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, 2002 and 2001 and the related statements of income, changes in partners' capital and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration *Audit Program*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial 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, 2002 and 2001 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 our reports dated January 23, 2003 on our consideration of Smithfield Greenbriar Limited Partnership's internal control, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our 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 & Company, P.C.
Certified Public Accountants
South Jordan, Utah
January 23, 2003

Simmons and Clubb
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Boise, ID 83705
PHONE: 208-336-6800
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, 2002 and 2001, 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 the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain Crest Limited Partnership as of December 31, 2002 and 2001, and the results of its operations, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated February 6, 2003, 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
February 6, 2003

Knudtson & Company CPAs, PA
950 SW 28th Street, Suite A
Topeka, KS 66614
PHONE: 785-273-6880
FAX: 785-273-6881

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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these statements based on our audits. The financial statements for December 31, 2001 were audited by other auditors. The prior auditor's report dated January 17, 2002 expressed an unqualified opinion.

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, 2002 and 2001, and the results of its operations, changes in partners' equity (deficit) and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2003 on our consideration of Eudora Senior Housing, L.P.'s internal control and a report dated January 31, 2003 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.

Knudtson & Company CPAs, PA
Certified Public Accountants

Topeka, Kansas
January 31, 2003

Berberich Trahan & Co., P.A.
3630 S.W. Burlingame Road
Topeka, KS 66611-2050
PHONE: 785-234-3427
FAX: 785-233-1768

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

Baird, Kurtz & Dobson, LLP
5000 Rogers Avenue, Suite 700
Fort Smith, AR 72903-2079
PHONE: 479-452-1040
FAX: 479-452-5542

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, 2002 and 2001, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring Hill Housing, L.P., A Limited Partnership, D/B/A Spring Hill Housing II as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 5, 2003

Eide Bailly LLP
200 East 10th St., Suite 500 - P.O. Box 5126
Sioux Falls, SD 57117-5126
PHONE: 605-339-1999
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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 20, 2003 on our consideration of **Sunchase II, 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 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 20, 2003

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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, 2002 and 2001, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2003, 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 14 and 15 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 22, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2003 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 16, 2003

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Chattanooga, TN 37403-1924
PHONE: 423-756-0052
FAX: 423-267-5945

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, 2002 and 2001, 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, 2002 and 2001, 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 15, 2003, 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 15, 2003

Bob T. Robinson
2084 Dunbarton Drive
Jackson, MS 39216
PHONE: 601-982-3875
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, 2002 and 2001, 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, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated February 3, 2003 on my consideration of Hazlehurst Manor, L.P.'s internal control and on my tests of its compliance with cetain provisions of laws, regulations, contracts and grants. This report is an integral part of the audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

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 RD 1930-7 (Rev 7-00) 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 3, 2003
Jackson, Mississippi

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Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2002 and 2001, 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 25, 2003 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 25, 2003

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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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2002 and 2001, 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 24, 2003 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 24, 2003

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516 Walnut Street - P.O. Box 775
Gadsden, AL 35902
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FAX: 256-543-9800

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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2002 and 2001, 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 26, 2003 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 26, 2003

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516 Walnut Street - P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

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, 2002 and 2001, 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2002 and 2001, 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 25, 2003 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 25, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Seneca Apartments, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Carthage Seniors, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, 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 our audit.

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 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Southwest City Apartments, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Pineville Apartments, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Monett Seniors, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Columbus Seniors, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming and opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

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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, 2002 and 2001, and the related statements of income, 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 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 Arma Seniors, L.P. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued our report dated February 15, 2003 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, regulations, and contracts. Those reports are an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Letter on pages 15-17 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 15, 2003

Suellen Doubet, CPA
603 West Cherokee Street
Wagoner, OK 74467
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FAX: 918-485-3092

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, 2002, and 2001 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 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 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, 2002, and 2001 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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 17, 2003 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 17, 2003

Chester M. Kearney, CPA
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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, 2002 and 2001, 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, 2002 and 2001, 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 29, 2003 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.

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

/s/ Chester M. Kearney
Certified Public Accountants

Presque Isle, Maine
January 29, 2003

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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 sheets of Scarlett Oaks Limited Partnership as of December 31, 2002, and 2001, 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 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 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, 2002, and 2001, 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 11, 2003, on my consideration of Scarlett Oaks Limited Partnership's internal control and a report dated February 11, 2003 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.

/s/ Richard A. Strauss, P.A.
Certified Public Accountant

Columbia, South Carolina
February 11, 2003

David G. Pelliccione, C.P.A., P.C.
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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, 2002 and 2001 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, 2002 and 2001, 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 10, 2003, 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 10, 2003

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FAX: 317-347-5211

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, 2002 and 2001, 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, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, 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, 2002 and 2001, 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 7, 2003 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 7, 2003

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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, 2002 and 2001, 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 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, 2002 and 2001, 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 reports dated January 14, 2003 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. 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 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 14, 2003

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
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, 2002 and 2001, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration “Audit Program” issued in December 1989. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bryan Senior Village Limited Partnership, DBA Plaza Senior Village Apartments, Case No. 41-086-341561720, at December 31, 2002 and 2001, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program,", issued in December 1989, we have also issued a report dated January 16, 2003, on our consideration of Bryan Senior Village Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants

Columbus, Ohio
January 16, 2003

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

INDEPENDENT AUDITORS' REPORT

To the Partners of 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, 2002 and 2001, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program" issued in December 1989. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brubaker Square Limited Partnership, DBA Brubaker Square Apartments, Case No. 41-092-341561718, at December 31, 2002 and 2001, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program,", issued in December 1989, we have also issued a report dated January 17, 2003, on our consideration of Brubaker Square Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants

Columbus, Ohio
January 17, 2003

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
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, 2002 and 2001, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program" issued in December 1989. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Villa Allegra Limited Partnership, DBA Villa Allegra Apartments, Case No. 41-054-341561716, at December 31, 2002 and 2001, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 16, 2003, on our consideration of Villa Allegra Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Fentress, Brown, CPAs & Associates, LLC
Certified Public Accountants

Columbus, Ohio
January 16, 2003

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
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, 2002 and 2001, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program" issued in December, 1989. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Logan Place Limited Partnership, DBA Logan Place Apartments, Case No. 41-037-341643639, at December 31, 2002 and 2001, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the U.S. Department of Agriculture, Farmers Home Administration "Audit Program," issued in December 1989, we have also issued a report dated January 16, 2003, on our consideration of Logan Place Limited Partnership's internal control and on compliance with specific requirements applicable to Rural Housing Service Programs. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Columbus, Ohio
January 16, 2003

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, 2002 and 2001, 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, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2003 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 29, 2003

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, 2002 and 2001, and the related Statements of Income and Expenses, Changes in Partner's Equity (Deficit), and Cash Flows for the years then ended. These financial statements are the responsibility of 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2003 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

April 18, 2003

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, 2002 and 2001, and the related Statements of Income and Expenses, Changes in Partner's Equity (Deficit), and Cash Flows for the years then ended. These financial statements are the responsibility of 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2003 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 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 Accountant

May 23, 2003

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, 2002 and 2001, and the related Statements of Income and Expenses, Changes in Partner's Equity (Deficit), and Cash Flows for the years then ended. These financial statements are the responsibility of 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2003 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

May 15, 2003

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
Goodwater Falls, Ltd.

Rural Development
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, 2002 and 2001 and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 Goodwater Falls, Ltd. as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2003 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 accompanying 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 fairly stated, 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
January 27, 2003

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, 2002 and 2001, 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 auditing standards generally accepted in the United States of America and <u>Government Auditing Standards</u> as issued by the Comptroller General of the United States and the U.S. Department of Agriculture, Farmers Home Administration <u>Audit Program</u>. 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, 2002 and 2001, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with <u>Government Auditing Standards</u>, we have also issued a report dated February 11, 2003, on our consideration of the internal control structure of Frankston Retirement, Ltd.-(A Texas Limited Partnership) and a report dated February 11, 2003, on its compliance with laws and regulations.

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

Austin, Texas
February 11, 2003

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
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, 2002 and 2001, and the related statements of income (loss), partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 12, 2003, on our consideration of the internal control structure of Wallis Housing, Ltd.-(A Texas Limited Partnership) and a report dated February 12, 2002, on its compliance with laws and regulations.

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

Austin, Texas
February 12, 2003

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, 2002 and 2001 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 auditing standards generally accepted in the United States of America 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, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2003, on our consideration of the internal control structure of Menard Retirement, Ltd.-(A Texas Limited Partnership) and a report dated February 14, 2003, on its compliance with laws and regulations.

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

Austin, Texas
February 14, 2003

Item 10. Disagreements on Accounting and Financial Disclosures

None.

PART III

Item 11. Directors and Executive Officers of Gateway

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

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

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

Ronald M. Diner, age 59, is President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc., with whom he has been employed since June 1983. Mr. Diner received an 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 47, is a Vice President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc. which he joined in 1982. Mr. Mosby received an MBA from the Harvard Business School (1982). He graduated magna cum laude with a BA from Vanderbilt University where he was elected to Phi Beta Kappa.

Sandra L. Furey, age 41, 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 12. Executive Compensation

Gateway has no directors or officers.

Item 13. 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, 2003.

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 14. 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, 2003, 2002 and 2001 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.

	2003	2002	2001
Series 2	$ 68,021	$ 68,197	$ 68,361
Series 3	62,667	62,892	63,104
Series 4	77,271	77,474	77,661
Series 5	95,480	95,755	96,008
Series 6	105,376	105,753	106,125
Total	$ 408,815	$ 410,071	$ 411,259

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.

	2003	2002	2001
Series 2	$ 18,483	$ 11,737	$ 9,149
Series 3	19,323	12,271	9,565
Series 4	24,365	15,471	12,060
Series 5	30,245	19,205	14,972
Series 6	31,926	20,272	15,803
Total	$ 124,342	$ 78,956	$ 61,549

PART IV

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

a.(1) Financial Statements

(2) Financial Statement Schedules -

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

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

(3)Exhibit Index -

The following are included with Form S-11, Registration No. 33-31821 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, 2002

SERIES 2
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Claxton Elderly	Claxton, GA	24	$ 652,807
Deerfield II	Douglas, GA	24	696,105
Hartwell Family	Hartwell, GA	24	699,526
Cherrytree Apts.	Albion, PA	33	1,189,987
Springwood Apts.	Westfield, NY	32	1,242,358
Lakeshore Apts.	Tuskegee, AL	34	1,045,176
Lewiston	Lewiston, NY	25	991,838
Charleston	Charleston, AR	32	836,206
Sallisaw II	Sallisaw, OK	47	1,187,413
Pocola	Pocola, OK	36	979,310
Inverness Club	Inverness, FL	72	2,963,598
Pearson Elderly	Pearson, GA	25	622,059
Richland Elderly	Richland, GA	33	860,421
Lake Park	Lake Park, GA	48	1,473,775
Woodland Terrace	Waynesboro, GA	30	880,414
Mt. Vernon Elderly	Mt. Vernon, GA	21	569,354
Lakeland Elderly	Lakeland, GA	29	774,026
Prairie Apartments	Eagle Butte, SD	21	968,264
Sylacauga Heritage	Sylacauga, AL	44	1,374,464
Manchester Housing	Manchester, GA	49	1,444,854
Durango C.W.W.	Durango, CO	24	1,026,433
Columbus Sr.	Columbus, KS	16	433,247
			$ 22,911,635

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, 2002

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	19,769
Springwood Apts.	21,500	1,451,283	52,623
Lakeshore Apts.	28,600	1,238,749	23,748
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	(3,150)
Mt. Vernon Elderly	21,750	680,437	(1,252)
Lakeland Elderly	28,000	930,574	(2,759)
Prairie Apartments	66,500	1,150,214	62,301
Sylacauga Heritage	66,080	1,648,081	60,511
Manchester Housing	36,000	1,746,076	2,208
Durango C.W.W.	140,250	1,123,454	50,836
Columbus Sr.	64,373	444,257	15,612
	$1,115,553	$26,819,761	$ 471,102

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, 2002

SERIES 2
Apartment Properties

	Gross Amount At Which Carried At December 31, 2002		
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	1,396,066	1,458,066
Springwood Apts.	24,017	1,501,389	1,525,406
Lakeshore Apts.	28,600	1,262,497	1,291,097
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	1,043,957	1,080,357
Mt. Vernon Elderly	21,750	679,185	700,935
Lakeland Elderly	28,000	927,815	955,815
Prairie Apartments	81,240	1,197,775	1,279,015
Sylacauga Heritage	66,080	1,708,592	1,774,672
Manchester Housing	36,000	1,748,284	1,784,284
Durango C.W.W.	140,250	1,174,290	1,314,540
Columbus Sr.	69,207	455,035	524,242
	$1,137,644	$27,268,772	$28,406,416

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, 2002
SERIES 2
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Claxton Elderly	347,594	5-27.5
Deerfield II	373,711	5-27.5
Hartwell Family	383,428	5-27.5
Cherrytree Apts.	438,009	5-27.5
Springwood Apts.	499,182	5-40
Lakeshore Apts.	415,215	5-40
Lewiston	367,035	5-40
Charleston	542,069	5-25
Sallisaw II	737,299	5-25
Pocola	559,014	5-27.5
Inverness Club	1,415,521	5-27.5
Pearson Elderly	321,651	5-30
Richland Elderly	425,098	5-30
Lake Park	742,330	5-30
Woodland Terrace	436,570	5-30
Mt. Vernon Elderly	285,370	5-30
Lakeland Elderly	385,798	5-30
Prairie Apartments	437,712	5-40
Sylacauga Heritage	572,078	5-40
Manchester Housing	716,063	5-30
Durango C.W.W.	381,492	5-40
Columbus Sr.	234,955	5-27.5
	$11,017,194	

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, 2002
SERIES 3
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Poteau II	Poteau, OK	52	$ 1,290,149
Sallisaw	Sallisaw, OK	52	1,302,241
Nowata Properties	Oolagah, OK	32	850,688
Waldron Properties	Waldron, AR	24	634,558
Roland II	Roland, OK	52	1,300,828
Stilwell	Stilwell, OK	48	1,182,952
Birchwood Apts.	Pierre, SD	24	782,399
Hornellsville	Arkport, NY	24	887,245
Sunchase II	Watertown, SD	41	1,181,761
CE McKinley II	Rising Sun, MD	16	596,802
Weston Apartments	Weston, AL	10	272,137
Countrywood Apts.	Centreville, AL	40	1,189,116
Wildwood Apts.	Pineville, LA	28	842,748
Hancock	Hawesville, KY	12	359,036
Hopkins	Madisonville, KY	24	736,225
Elkhart Apts.	Elkhart, TX	54	1,123,101
Bryan Senior	Bryan, OH	40	1,064,717
Brubaker Square	New Carlisle, OH	38	1,107,138
Southwood	Savannah, TN	44	1,476,449
Villa Allegra	Celina, OH	32	888,988
Belmont Senior	Cynthiana, KY	24	755,342
Heritage Villas	Helena, GA	25	672,717
Logansport Seniors	Logansport, LA	32	890,947
			$21,388,284

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, 2002

SERIES 3
Apartment Properties

	Cost At Acquisition		
Partnership	Land	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	67,511
Sunchase II	113,115	1,198,373	74,735
CE McKinley II	11,762	745,635	69,486
Weston Apartments	0	339,144	5,893
Countrywood Apts.	55,750	1,447,439	77,789
Wildwood Apts.	48,000	1,018,897	24,308
Hancock	20,700	419,725	0
Hopkins	43,581	885,087	(1,412)
Elkhart Apts.	35,985	1,361,096	233,640
Bryan Senior	74,000	1,102,728	11,564
Brubaker Square	75,000	1,376,075	7,941
Southwood	15,000	1,769,334	18,860
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	298,357
	$1,104,746	$26,034,529	$ 979,183

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, 2002

SERIES 3

Apartment Properties	Gross Amount At Which Carried At December 31, 2002		
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	1,086,034	1,127,259
Sunchase II	114,487	1,271,736	1,386,223
CE McKinley II	11,749	815,134	826,883
Weston Apartments	0	345,037	345,037
Countrywood Apts.	55,750	1,525,228	1,580,978
Wildwood Apts.	48,000	1,043,205	1,091,205
Hancock	20,700	419,725	440,425
Hopkins	43,581	883,675	927,256
Elkhart Apts.	159,682	1,471,039	1,630,721
Bryan Senior	74,000	1,114,292	1,188,292
Brubaker Square	75,000	1,384,016	1,459,016
Southwood	15,000	1,788,194	1,803,194
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	1,357,130	1,384,751
	$1,238,894	$26,879,564	$28,118,458

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, 2002

SERIES 3

Partnership	Accumulated Depreciation	Depreciable Life
Poteau II	$ 1,008,956	5-25
Sallisaw	956,321	5-25
Nowata Properties	621,745	5-25
Waldron Properties	470,083	5-25
Roland II	1,015,779	5-25
Stilwell	905,447	5-25
Birchwood Apts.	402,379	5-40
Hornellsville	572,406	5-27.5
Sunchase II	536,675	5-40
CE McKinley II	433,695	5-27.5
Weston Apartments	186,627	5-27.5
Countrywood Apts.	786,059	5-27.5
Wildwood Apts.	493,551	5-30
Hancock	189,976	5-27.5
Hopkins	399,974	5-27.5
Elkhart Apts.	751,792	5-25
Bryan Senior	639,140	5-27.5
Brubaker Square	724,236	5-27.5
Southwood	791,478	5-50
Villa Allegra	596,308	5-27.5
Belmont Senior	288,265	5-40
Heritage Villas	341,811	5-30
Logansport Seniors	328,332	5-40
	$13,441,035	

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, 2002

SERIES 4
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Alsace Village	Soda Springs, ID	24	$ 632,896
Seneca Apartments	Seneca, MO	24	604,230
Eudora Senior	Eudora, KS	36	951,747
Westville	Westville, OK	36	853,036
Wellsville Senior	Wellsville, KS	24	643,132
Stilwell II	Stilwell, OK	52	1,279,552
Spring Hill Senior	Spring Hill, KS	24	691,948
Smithfield	Smithfield, UT	40	1,528,142
Tarpon Heights	Galliano, LA	48	1,234,676
Oaks Apartments	Oakdale, LA	32	823,605
Wynnwood Common	Fairchance, PA	34	1,361,211
Chestnut Apartments	Howard, SD	24	849,156
St. George	St. George, SC	24	748,344
Williston	Williston, SC	24	792,707
Brackettville Sr.	Brackettville, TX	32	816,122
Sonora Seniors	Sonora, TX	32	837,204
Ozona Seniors	Ozona, TX	24	626,998
Fredericksburg Sr.	Fredericksburg,TX	48	1,195,637
St. Joseph	St. Joseph, IL	24	822,118
Courtyard	Huron, SD	21	706,505
Rural Development	Ashland, ME	25	1,197,991
Jasper Villas	Jasper, AR	25	852,865
Edmonton Senior	Edmonton, KY	24	749,976
Jonesville Manor	Jonesville, VA	40	1,341,277
Norton Green	Norton, VA	40	1,332,144
Owingsville Senior	Owingsville, KY	22	701,368
Timpson Seniors	Timpson, TX	28	668,397
Piedmont	Barnesville, GA	36	1,035,973
S.F. Arkansas City	Arkansas City, KS	12	338,921
			$26,217,878

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, 2002

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	$ 43,407
Seneca Apartments	76,212	640,702	34,172
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	107,140
Tarpon Heights	85,000	1,408,434	769,580
Oaks Apartments	42,000	989,522	500,637
Wynnwood Common	68,000	1,578,814	39,433
Chestnut Apartments	57,200	977,493	39,605
St. George	22,600	915,400	568
Williston	25,000	959,345	19,010
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	34,225
Rural Development	38,200	1,361,892	22,390
Jasper Villas	27,000	1,067,890	10,731
Edmonton Senior	40,000	866,714	0
Jonesville Manor	100,000	1,578,135	57,809
Norton Green	120,000	1,535,373	78,208
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	$1,938,416

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, 2002

SERIES 4

Apartment Properties	Gross Amount At Which Carried At December 31, 2002		
Partnership	Land	Buildings, Improvements and Equipment	Total
Alsace Village	$ 15,000	$ 814,997	$ 829,997
Seneca Apartments	77,721	673,365	751,086
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	115,040	1,772,813	1,887,853
Tarpon Heights	85,000	2,178,014	2,263,014
Oaks Apartments	42,000	1,490,159	1,532,159
Wynnwood Common	81,233	1,605,014	1,686,247
Chestnut Apartments	63,800	1,010,498	1,074,298
St. George	22,600	915,968	938,568
Williston	25,000	978,355	1,003,355
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	29,090	839,745	868,835
Rural Development	38,200	1,384,282	1,422,482
Jasper Villas	27,000	1,078,621	1,105,621
Edmonton Senior	40,000	866,714	906,714
Jonesville Manor	100,000	1,635,944	1,735,944
Norton Green	120,000	1,613,581	1,733,581
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
	$1,357,444	$32,929,595	$34,287,039

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, 2002

SERIES 4
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Alsace Village	$ 383,869	5-27.5
Seneca Apartments	375,864	5-27.5
Eudora Senior	541,594	5-27.5
Westville	488,878	5-27.5
Wellsville Senior	355,795	5-25
Stilwell II	741,698	5-27.5
Spring Hill Senior	496,918	5-25
Smithfield	534,253	5-40
Tarpon Heights	456,248	5-40
Oaks Apartments	319,744	5-40
Wynnwood Common	516,436	5-40
Chestnut Apartments	376,148	5-40
St. George	442,142	5-27.5
Williston	456,272	5-27.5
Brackettville Sr.	277,103	5-40
Sonora Seniors	288,051	5-40
Ozona Seniors	210,254	5-40
Fredericksburg Sr.	400,741	5-40
St. Joseph	428,942	5-27.5
Courtyard	359,601	5-27.5
Rural Development	651,064	5-27.5
Jasper Villas	348,604	5-40
Edmonton Senior	275,558	5-40
Jonesville Manor	738,275	5-27.5
Norton Green	756,736	5-27.5
Owingsville Senior	258,396	5-40
Timpson Seniors	257,060	5-40
Piedmont	404,832	5-27.5
S.F. Arkansas City	178,898	5-27.5
	$12,319,974	

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, 2002

SERIES 5
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Seymour	Seymour, IN	37	$ 1,230,368
Effingham	Effingham, IL	24	798,194
S.F. Winfield	Winfield, KS	12	330,434
S.F.Medicine Lodge	Medicine Lodge,KS	16	451,238
S.F. Ottawa	Ottawa, KS	24	568,235
S.F. Concordia	Concordia, KS	20	552,525
Highland View	Elgin, OR	24	709,616
Carrollton Club	Carrollton, GA	78	2,661,299
Scarlett Oaks	Lexington, SC	40	1,379,094
Brooks Hill	Ellijay, GA	44	1,451,155
Greensboro	Greensboro, GA	24	727,297
Greensboro II	Greensboro, GA	33	896,360
Pine Terrace	Wrightsville, GA	25	721,562
Shellman	Shellman, GA	27	733,808
Blackshear	Cordele, GA	46	1,310,430
Crisp Properties	Cordele, GA	31	925,079
Crawford	Crawford, GA	25	739,493
Yorkshire	Wagoner, OK	60	2,069,257
Woodcrest	South Boston, VA	40	1,275,097
Fox Ridge	Russellville, AL	24	731,248
Redmont II	Red Bay, AL	24	690,374
Clayton	Clayton, OK	24	664,066
Alma	Alma, AR	24	728,440
Pemberton Village	Hiawatha, KS	24	633,676
Magic Circle	Eureka, KS	24	649,530
Spring Hill	Spring Hill, KS	36	1,119,304
Menard Retirement	Menard, TX	24	623,780
Wallis Housing	Wallis, TX	24	420,032
Zapata Housing	Zapata, TX	40	972,323
Mill Creek	Grove, OK	60	1,423,655
Portland II	Portland, IN	20	579,128
Georgetown	Georgetown, OH	24	735,919
Cloverdale	Chandler, TX	24	752,986
S. Timber Ridge	Cloverdale, IN	44	1,057,151
Pineville	Pineville, MO	12	317,709
Ravenwood	Americus, GA	24	721,323
			$32,351,185

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, 2002

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	8,366
S.F. Ottawa	25,200	687,929	19,213
S.F. Concordia	28,000	658,961	8,947
Highland View	16,220	830,471	49,305
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	674,638
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	272,303
Woodcrest	70,000	842,335	677,191
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	17,099
Wallis Housing	13,900	553,230	11,203
Zapata Housing	44,000	1,120,538	78,673
Mill Creek	28,000	414,429	1,299,240
Portland II	43,102	410,683	335,976
Georgetown	0	149,483	816,212
Cloverdale	40,000	583,115	351,940
S. Timber Ridge	43,705	1,233,570	38,587
Pineville	59,661	328,468	22,257
Ravenwood	14,300	873,596	13,100
	$1,418,219	$25,157,470	$13,713,268

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, 2002

SERIES 5

Apartment Properties	Gross Amount At Which Carried At December 31, 2002		
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	551,325	572,925
S.F. Ottawa	25,200	707,142	732,342
S.F. Concordia	28,000	667,908	695,908
Highland View	16,220	879,776	895,996
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	870,709	885,409
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	2,483,560	2,584,348
Woodcrest	70,000	1,519,526	1,589,526
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	738,350	759,350
Wallis Housing	97,313	481,020	578,333
Zapata Housing	46,323	1,196,888	1,243,211
Mill Creek	28,000	1,713,669	1,741,669
Portland II	15,000	774,761	789,761
Georgetown	50,393	915,302	965,695
Cloverdale	40,000	935,055	975,055
S. Timber Ridge	50,123	1,265,739	1,315,862
Pineville	60,006	350,380	410,386
Ravenwood	14,300	886,696	900,996
	$1,606,813	$38,682,144	$40,288,957

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002

SERIES 5

Partnership	Accumulated Depreciation	Depreciable Life
Seymour	$ 643,278	5-27.5
Effingham	409,624	5-27.5
S.F. Winfield	175,327	5-27.5
S.F.Medicine Lodge	224,361	5-27.5
S.F. Ottawa	316,109	5-27.5
S.F. Concordia	301,975	5-27.5
Highland View	278,040	5-40
Carrollton Club	1,147,957	5-27.5
Scarlett Oaks	632,010	5-27.5
Brooks Hill	627,019	5-27.5
Greensboro	311,372	5-30
Greensboro II	392,204	5-30
Pine Terrace	327,476	5-30
Shellman	345,105	5-30
Blackshear	572,585	5-30
Crisp Properties	413,437	5-30
Crawford	337,826	5-30
Yorkshire	631,833	5-50
Woodcrest	469,956	5-40
Fox Ridge	230,512	5-50
Redmont II	224,277	5-50
Clayton	360,056	5-27.5
Alma	431,797	5-25
Pemberton Village	331,450	5-27.5
Magic Circle	337,698	5-27.5
Spring Hill	627,953	5-25
Menard Retirement	171,551	5-30
Wallis Housing	225,416	5-30
Zapata Housing	348,952	5-27.5
Mill Creek	784,400	5-25
Portland II	266,949	5-27.5
Georgetown	303,390	5-50
Cloverdale	421,012	5-27.5
S. Timber Ridge	592,366	5-25
Pineville	183,238	5-27.5
Ravenwood	216,758	5-27.5
	$14,615,269	

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, 2002

SERIES 6
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Spruce	Pierre, SD	24	$ 908,829
Shannon Apartments	O'Neill, NE	16	532,041
Carthage	Carthage, MO	24	569,682
Mt. Crest	Enterprise, OR	39	997,200
Coal City	Coal City, IL	24	972,120
Blacksburg Terrace	Blacksburg, SC	32	1,078,833
Frazier	Smyrna, DE	30	1,463,765
Ehrhardt	Ehrhardt, SC	16	558,487
Sinton	Sinton, TX	32	845,961
Frankston	Frankston, TX	24	557,077
Flagler Beach	Flagler Beach, FL	43	1,375,840
Oak Ridge	Williamsburg, KY	24	808,006
Monett	Monett, MO	32	783,138
Arma	Arma, KS	28	714,054
Southwest City	Southwest City, MO	12	316,892
Meadowcrest	Luverne, AL	32	1,000,766
Parsons	Parsons, KS	48	1,252,884
Newport Village	Newport, TN	40	1,294,517
Goodwater Falls	Jenkins, KY	36	1,111,849
Northfield Station	Corbin, KY	24	794,841
Pleasant Hill Square	Somerset, KY	24	784,103
Winter Park	Mitchell, SD	24	996,645
Cornell	Watertown, SD	24	865,528
Heritage Drive S.	Jacksonville, TX	40	976,719
Brodhead	Brodhead, KY	24	783,202
Mt. Vilage	Mt. Vernon, KY	24	779,853
Hazelhurst	Hazlehurst, MS	32	966,539
Sunrise	Yankton, SD	33	1,154,387
Stony Creek	Hooversville, PA	32	1,336,221
Logan Place	Logan, OH	40	1,246,532
Haines	Haines, AK	32	2,372,181
Maple Wood	Barbourville, KY	24	792,810
Summerhill	Gassville, AR	28	792,229
Dorchester	St. George, SC	12	461,372
Lancaster	Mountain View, AR	33	1,103,174
Autumn Village	Harrison, AR	16	194,221
Hardy	Hardy, AR	24	315,009
Dawson	Dawson, GA	40	1,180,920
			$35,038,427

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, 2002

SERIES 6

Apartment Properties	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Spruce	$ 60,040	$ 108,772	$ 972,634
Shannon Apartments	5,000	94,494	579,301
Carthage	115,814	578,597	43,859
Mt. Crest	64,914	1,143,675	38,632
Coal City	60,055	1,121,477	103,489
Blacksburg Terrace	39,930	1,278,860	40,001
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	7,863
Flagler Beach	118,575	1,534,541	0
Oak Ridge	40,000	995,782	2,184
Monett	170,229	782,795	25,535
Arma	85,512	771,316	29,330
Southwest City	67,303	319,272	22,775
Meadowcrest	72,500	1,130,651	11,111
Parsons	49,780	1,483,188	0
Newport Village	61,350	1,470,505	95,147
Goodwater Falls	32,000	1,142,517	230,346
Northfield Station	44,250	977,220	1,091
Pleasant Hill Square	35,000	893,323	39,053
Winter Park	95,000	1,121,119	63,102
Cornell	32,000	1,017,572	67,172
Heritage Drive S.	44,247	1,151,157	9,985
Brodhead	21,600	932,468	10,383
Mt. Vilage	55,000	884,596	4,711
Hazelhurst	60,000	1,118,734	22,089
Sunrise	90,000	1,269,252	67,223
Stony Creek	0	1,428,656	220,627
Logan Place	39,300	1,477,527	10,085
Haines	189,323	2,851,953	(2,222)
Maple Wood	79,000	924,144	30,846
Summerhill	23,000	788,157	33,083
Dorchester	13,000	239,455	308,522
Lancaster	37,500	1,361,272	(14,886)
Autumn Village	20,000	595,604	478
Hardy	0	473,695	463,249
Dawson	40,000	346,569	1,088,404
	$2,094,010	$37,723,952	$4,662,122

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, 2002

SERIES 6

Apartment Properties	Gross Amount At Which Carried At December 31, 2002		
Partnership	Land	Buildings, Improvements and Equipment	Total
Spruce	$ 86,308	$ 1,055,138	$ 1,141,446
Shannon Apartments	18,406	660,389	678,795
Carthage	116,842	621,428	738,270
Mt. Crest	64,914	1,182,307	1,247,221
Coal City	60,055	1,224,966	1,285,021
Blacksburg Terrace	39,930	1,318,861	1,358,791
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	646,931	676,931
Flagler Beach	118,575	1,534,541	1,653,116
Oak Ridge	40,000	997,966	1,037,966
Monett	173,213	805,346	978,559
Arma	89,512	796,646	886,158
Southwest City	79,336	330,014	409,350
Meadowcrest	72,500	1,141,762	1,214,262
Parsons	49,780	1,483,188	1,532,968
Newport Village	61,350	1,565,652	1,627,002
Goodwater Falls	32,000	1,372,863	1,404,863
Northfield Station	44,250	978,311	1,022,561
Pleasant Hill Square	35,000	932,376	967,376
Winter Park	95,556	1,183,665	1,279,221
Cornell	36,012	1,080,732	1,116,744
Heritage Drive S.	53,837	1,151,552	1,205,389
Brodhead	21,600	942,851	964,451
Mt. Vilage	55,000	889,307	944,307
Hazelhurst	60,000	1,140,823	1,200,823
Sunrise	112,363	1,314,112	1,426,475
Stony Creek	104,800	1,544,483	1,649,283
Logan Place	39,300	1,487,612	1,526,912
Haines	189,323	2,849,731	3,039,054
Maple Wood	79,000	954,990	1,033,990
Summerhill	23,000	821,240	844,240
Dorchester	13,000	547,977	560,977
Lancaster	37,500	1,346,386	1,383,886
Autumn Village	20,000	596,082	616,082
Hardy	21,250	915,694	936,944
Dawson	40,000	1,434,973	1,474,973
	$2,316,300	$42,163,784	$44,480,084

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, 2002

SERIES 6

Partnership	Accumulated Depreciation	Depreciable Life
Spruce	$ 382,247	5-30
Shannon Apartments	188,551	5-40
Carthage	354,578	5-27.5
Mt. Crest	517,143	5-27.5
Coal City	356,621	5-27.5
Blacksburg Terrace	580,527	5-27.5
Frazier	707,613	5-27.5
Ehrhardt	266,797	5-27.5
Sinton	234,006	5-50
Frankston	149,444	5-30
Flagler Beach	455,644	5-40
Oak Ridge	401,903	5-27.5
Monett	436,373	5-27.5
Arma	413,195	5-27.5
Southwest City	182,065	5-27.5
Meadowcrest	348,049	5-40
Parsons	645,279	5-27.5
Newport Village	652,233	5-27.5
Goodwater Falls	392,610	5-27.5
Northfield Station	283,216	5-27.5
Pleasant Hill Square	269,612	5-27.5
Winter Park	417,551	5-40
Cornell	309,324	5-40
Heritage Drive S.	510,997	5-25
Brodhead	261,559	5-40
Mt. Vilage	251,004	5-50
Hazelhurst	320,901	5-40
Sunrise	509,745	5-27.5
Stony Creek	440,393	5-27.5
Logan Place	508,853	5-27.5
Haines	1,122,606	5-27.5
Maple Wood	379,316	5-27.5
Summerhill	333,846	5-27.5
Dorchester	205,680	5-27.5
Lancaster	403,957	5-40
Autumn Village	172,639	5-40
Hardy	255,370	5-40
Dawson	332,141	5-40
	$14,953,588	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002
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, 2001		$28,330,500
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	75,916	
Improvements, etc.	0	
Other	0	

		75,916
Deductions during period:		
Cost of real estate sold	0	
Other	0	

		0

Balance at end of period - December 31, 2002		$28,406,416
		============

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2001		$10,152,720
Current year expense	864,473	
Less Accumulated Depreciation of real estate sold	1	
Other	0	

		864,474

Balance at end of period - December 31, 2002		$ 11,017,194
		===========

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002
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, 2001		$27,770,555
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	372,015	
Improvements, etc.	1,372	
Other	0	

		373,387
Deductions during period:		
Cost of real estate sold	25,484	
Other	0	

		(25,484)

Balance at end of period - December 31, 2002		$28,118,458
		===========

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2001		$12,513,532
Current year expense	952,987	
Less Accumulated Depreciation of real estate sold	(25,484)	
Other	0	

		927,503

Balance at end of period - December 31, 2002		$13,441,035
		============

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002
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, 2001		$32,972,506
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	1,311,196	
Improvements, etc.	5,275	
Other	0	

		1,316,471
Deductions during period:		
Cost of real estate sold	1,938	
Other	0	

		(1,938)

Balance at end of period - December 31, 2002		$34,287,039
		=============

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2001		$ 11,277,285
Current year expense	1,044,627	
Less Accumulated Depreciation of real estate sold	(1,938)	
Other	0	

		1,042,689

Balance at end of period - December 31, 2002		$12,319,974
		===========

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002
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, 2001		$40,210,801
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	2,960	
Improvements, etc.	77,198	
Other	0	
		80,158
Deductions during period:		
Cost of real estate sold	2,002	
Other	0	
		(2,002)
Balance at end of period - December 31, 2002		$40,288,957

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2001		$13,336,649
Current year expense	1,280,622	
Less Accumulated Depreciation of real estate sold	(2,002)	
Other	0	
		1,278,620
Balance at end of period - December 31, 2002		$14,615,269

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2002
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, 2001		$44,351,824
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	138,176	
Improvements, etc.	2,004	
Other	0	
		140,180
Deductions during period:		
Cost of real estate sold	11,920	
Other	0	
		(11,920)
Balance at end of period - December 31, 2002		$44,480,084

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2001		$13,603,728
Current year expense	1,361,780	
Less Accumulated Depreciation of real estate sold	(11,920)	
Other	0	
		1,349,860
Balance at end of period - December 31, 2002		$14,953,588

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2002

SERIES 2

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Claxton Elderly	24	$ 652,807	8.75%	5,883	50
Deerfield II	24	696,105	8.75%	6,284	50
Hartwell Family	24	699,526	8.75%	5,307	50
Cherrytree Apts.	33	1,189,987	8.75%	9,011	50
Springwood Apts.	32	1,242,358	8.75%	9,218	50
Lakeshore Apts.	34	1,045,176	8.75%	7,905	50
Lewiston	25	991,838	9.00%	7,720	50
Charleston	32	836,206	8.75%	6,333	50
Sallisaw II	47	1,187,413	8.75%	8,980	50
Pocola	36	979,310	8.75%	7,407	50
Inverness Club	72	2,963,598	8.75%	27,905	50
Pearson Elderly	25	622,059	9.00%	4,926	50
Richland Elderly	33	860,421	8.75%	6,517	50
Lake Park	48	1,473,775	9.00%	11,466	50
Woodland Terrace	30	880,414	8.75%	6,666	50
Mt. Vernon Elderly	21	569,354	8.75%	4,309	50
Lakeland Elderly	29	774,026	8.75%	5,882	50
Prairie Apartments	21	968,264	9.00%	7,515	50
Sylacauga Heritage	44	1,374,464	8.75%	10,536	50
Manchester Housing	49	1,444,854	8.75%	10,958	50
Durango C.W.W.	24	1,026,433	9.00%	7,739	50
Columbus Sr.	16	433,247	8.25%	3,102	50
		$22,911,635			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2002

SERIES 3

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Poteau II	52	$ 1,290,149	9.50%	10,682	50
Sallisaw	52	1,302,241	9.50%	10,654	50
Nowata Properties	32	850,688	9.50%	6,905	50
Waldron Properties	24	634,558	9.00%	4,950	50
Roland II	52	1,300,828	9.50%	10,657	50
Stilwell	48	1,182,952	9.50%	9,727	50
Birchwood Apts.	24	782,399	9.50%	6,410	50
Hornellsville	24	887,245	9.00%	6,927	50
Sunchase II	41	1,181,761	9.00%	9,279	50
CE McKinley II	16	596,802	8.75%	5,146	50
Weston Apartments	10	272,137	9.00%	2,131	50
Countrywood Apts.	40	1,189,116	9.00%	9,310	50
Wildwood Apts.	28	842,748	9.50%	6,906	50
Hancock	12	359,036	9.50%	3,119	50
Hopkins	24	736,225	8.75%	5,815	50
Elkhart Apts.	54	1,123,101	9.00%	9,198	40
Bryan Senior	40	1,064,717	10.00%	9,455	50
Brubaker Square	38	1,107,138	9.00%	8,646	50
Southwood	44	1,476,449	9.25%	11,752	50
Villa Allegra	32	888,988	9.00%	7,053	50
Belmont Senior	24	755,342	9.00%	6,001	50
Heritage Villas	25	672,717	8.75%	5,110	50
Logansport Seniors	32	890,947	8.75%	6,745	50
		$21,388,284			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2002

SERIES 4

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Alsace Village	24	$ 632,896	9.00%	4,915	50
Seneca Apartments	24	604,230	9.00%	4,692	50
Eudora Senior	36	951,747	8.75%	7,269	50
Westville	36	853,036	8.75%	6,448	50
Wellsville Senior	24	643,132	8.75%	4,859	50
Stilwell II	52	1,279,552	8.75%	9,672	50
Spring Hill Senior	24	691,948	8.75%	5,236	50
Smithfield	40	1,528,142	8.75%	11,746	50
Tarpon Heights	48	1,234,676	8.75%	9,347	50
Oaks Apartments	32	823,605	9.00%	6,663	50
Wynnwood Common	34	1,361,211	8.75%	10,300	50
Chestnut Apartments	24	849,156	8.75%	6,419	50
St. George	24	748,344	8.75%	5,677	50
Williston	24	792,707	9.00%	6,147	50
Brackettville Sr.	32	816,122	8.75%	6,172	50
Sonora Seniors	32	837,204	8.75%	6,337	50
Ozona Seniors	24	626,998	8.75%	4,744	50
Fredericksburg Sr.	48	1,195,637	8.75%	9,050	50
St. Joseph	24	822,118	9.00%	6,379	50
Courtyard	21	706,505	9.25%	5,622	50
Rural Development	25	1,197,991	9.25%	9,539	50
Jasper Villas	25	852,865	8.75%	6,450	50
Edmonton Senior	24	749,976	9.00%	5,688	50
Jonesville Manor	40	1,341,277	8.75%	10,159	50
Norton Green	40	1,332,144	8.75%	10,085	50
Owingsville Senior	22	701,368	9.00%	5,297	50
Timpson Seniors	28	668,397	8.75%	5,058	50
Piedmont	36	1,035,973	8.75%	7,856	50
S.F. Arkansas City	12	338,921	10.62%	3,056	50
		$26,217,878			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2002

SERIES 5

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Seymour	37	$ 1,230,368	8.75%	9,346	50
Effingham	24	798,194	8.75%	6,032	50
S.F. Winfield	12	330,434	11.37%	3,016	50
S.F.Medicine Lodge	16	451,238	10.62%	4,049	50
S.F. Ottawa	24	568,235	10.62%	5,126	50
S.F. Concordia	20	552,525	11.87%	5,498	50
Highland View	24	709,616	8.75%	5,473	40
Carrollton Club	78	2,661,299	7.75%	18,064	50
Scarlett Oaks	40	1,379,094	8.25%	9,870	50
Brooks Hill	44	1,451,155	8.25%	10,398	50
Greensboro	24	727,297	7.75%	4,937	50
Greensboro II	33	896,360	7.75%	6,129	50
Pine Terrace	25	721,562	8.25%	5,172	50
Shellman	27	733,808	8.25%	5,264	50
Blackshear	46	1,310,430	8.25%	9,389	50
Crisp Properties	31	925,079	8.25%	6,632	50
Crawford	25	739,493	8.25%	5,302	50
Yorkshire	60	2,069,257	8.25%	14,842	50
Woodcrest	40	1,275,097	8.25%	9,402	50
Fox Ridge	24	731,248	9.00%	5,673	50
Redmont II	24	690,374	8.75%	5,355	50
Clayton	24	664,066	8.25%	4,760	50
Alma	24	728,440	8.75%	8,018	50
Pemberton Village	24	633,676	8.75%	4,782	50
Magic Circle	24	649,530	8.75%	4,913	50
Spring Hill	36	1,119,304	8.25%	8,018	50
Menard Retirement	24	623,780	8.75%	4,715	50
Wallis Housing	24	420,032	8.75%	3,688	50
Zapata Housing	40	972,323	8.75%	7,377	50
Mill Creek	60	1,423,655	8.25%	10,192	50
Portland II	20	579,128	8.75%	4,388	50
Georgetown	24	735,919	8.25%	5,265	50
Cloverdale	24	752,986	8.75%	5,693	50
S. Timber Ridge	44	1,057,151	8.75%	7,986	50
Pineville	12	317,709	8.25%	2,318	50
Ravenwood	24	721,323	7.25%	4,595	50
		$32,351,185			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2002

SERIES 6

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Spruce	24	$ 908,829	8.75%	6,857	50
Shannon Apartments	16	532,041	8.75%	4,014	50
Carthage	24	569,682	8.75%	4,371	50
Mt. Crest	39	997,200	8.25%	7,150	50
Coal City	24	972,120	7.75%	6,578	50
Blacksburg Terrace	32	1,078,833	8.25%	7,738	50
Frazier	30	1,463,765	8.25%	10,470	50
Ehrhardt	16	558,487	7.75%	3,791	50
Sinton	32	845,961	8.25%	6,063	50
Frankston	24	557,077	8.75%	4,207	50
Flagler Beach	43	1,375,840	8.25%	9,864	50
Oak Ridge	24	808,006	8.25%	5,800	50
Monett	32	783,138	8.25%	5,598	50
Arma	28	714,054	8.75%	5,388	50
Southwest City	12	316,892	8.25%	2,271	50
Meadowcrest	32	1,000,766	8.25%	7,160	50
Parsons	48	1,252,884	7.75%	8,485	50
Newport Village	40	1,294,517	7.75%	8,798	50
Goodwater Falls	36	1,111,849	7.75%	7,980	50
Northfield Station	24	794,841	7.75%	5,379	50
Pleasant Hill Square	24	784,103	7.75%	5,315	50
Winter Park	24	996,645	8.25%	7,131	50
Cornell	24	865,528	8.25%	6,193	50
Heritage Drive S.	40	976,719	8.25%	6,990	50
Brodhead	24	783,202	7.75%	5,303	50
Mt. Vilage	24	779,853	8.25%	5,574	50
Hazelhurst	32	966,539	8.25%	7,105	50
Sunrise	33	1,154,387	8.75%	8,711	50
Stony Creek	32	1,336,221	8.75%	9,065	50
Logan Place	40	1,246,532	8.25%	8,909	50
Haines	32	2,372,181	8.25%	16,950	50
Maple Wood	24	792,810	7.75%	5,381	50
Summerhill	28	792,229	8.25%	5,911	50
Dorchester	12	461,372	7.75%	3,118	50
Lancaster	33	1,103,174	7.75%	7,775	50
Autumn Village	16	194,221	7.00%	2,608	50
Hardy	24	315,009	6.00%	3,639	18
Dawson	40	1,180,920	7.25%	7,524	50
		$35,038,427			

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.

Date: June 27, 2003 By:/s/ Ronald M. Diner
Ronald M. Diner
President

Date: June 27, 2003 By:/s/ Sandra L. Furey
Sandra L. Furey
Secretary and Treasurer

Date: June 27, 2003 By:/s/ Carol Georges
Carol Georges
Vice President and Director of Accounting

CERTIFICATIONS*

I, Ron Diner, certify that:

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

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

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

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

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

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

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

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

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

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

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

Date: June 27, 2003

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

I, Carol Georges, certify that:

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

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

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

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

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

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

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

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

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

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

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

Date: June 27, 2003

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