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, 2005

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, 2005
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, 2005, 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, 2005. 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, 2005, Gateway had invested in 22 Project Partnerships for Series 2, 23 Project Partnerships for Series 3, 29 Project Partnerships for Series 4, 35 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, 2005 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, 2005 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.

Exit Strategy

The IRS compliance period for low-income housing tax credit properties is generally 15 years from occupancy following construction or rehabilitation completion. With that in mind, the Partnership is continuing to review the Partnership's holdings, with special emphasis on the properties that are at or very near the satisfaction of the IRS compliance period requirements. The Partnership's review considers many factors including extended use low-income housing regulation requirements on the property (such as those due to mortgage restrictions or state compliance agreements), the condition of the property, and the tax consequences to the investors from the sale of the property.

Upon identifying those properties with the highest potential for a successful sale, refinancing or syndication, the Partnership expects to proceed with efforts to liquidate those properties. The Partnership's objective is to maximize the investor's return wherever possible and ultimately, to wind down those funds that no longer provide tax benefits to investors. As of March 31, 2005, one project partnership, Highland View Apartments has been sold.

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

Item 2. Properties

Gateway owns 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 8.7% of the Series' total assets, Series 3 is 0%, Series 4 is 0%, Series 5 is 12.6% and Series 6 is 26.3%. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2004:

Item 2 - Properties (continued):

SERIES 2

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU-PANCY RATE
Claxton Elderly	Claxton, GA	24	9/90	$ 799,538	100%
Deerfield II	Douglas, GA	24	9/90	854,562	88%
Hartwell Family	Hartwell, GA	24	9/90	859,698	75%
Cherrytree Apts.	Albion, PA	33	9/90	1,458,066	85%
Springwood Apts.	Westfield, NY	32	9/90	1,564,010	81%
Lakeshore Apts.	Tuskegee, AL	34	9/90	1,293,889	82%
Lewiston	Lewiston, NY	25	10/90	1,233,935	92%
Charleston	Charleston, AR	32	9/90	1,076,098	80%
Sallisaw II	Sallisaw, OK	47	9/90	1,517,589	91%
Pocola	Pocola, OK	36	10/90	1,245,870	94%
Inverness Club	Inverness, FL	72	9/90	3,496,824	97%
Pearson Elderly	Pearson, GA	25	9/90	781,460	100%
Richland Elderly	Richland, GA	33	9/90	1,057,871	97%
Lake Park	Lake Park, GA	48	9/90	1,794,542	96%
Woodland Terrace	Waynesboro, GA	30	9/90	1,081,582	97%
Mt. Vernon Elderly	Mt. Vernon, GA	21	9/90	700,935	90%
Lakeland Elderly	Lakeland, GA	29	9/90	955,815	100%
Prairie Apartments	Eagle Butte, SD	21	10/90	1,320,641	100%
Sylacauga Heritage	Sylacauga, AL	44	12/90	1,782,517	100%
Manchester Housing	Manchester, GA	49	1/91	1,781,614	98%
Durango C.W.W.	Durango, CO	24	1/91	1,337,891	96%
Columbus Seniors	Columbus, KS	16	5/92	532,889	100%
		723		$28,527,836	

The aggregate average effective rental per unit is $3,768 per year ($314 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 $5,333 ($444 per month) on December 31, 2004. 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, 2004 the real estate taxes were $58,925.

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	81%
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	79%
Roland II	Roland, OK	52	10/90	1,804,010	94%
Stilwell	Stilwell, OK	48	10/90	1,597,701	83%
Birchwood Apts.	Pierre, SD	24	9/90	1,082,336	79%
Hornellsville	Arkport, NY	24	9/90	1,163,452	88%
Sunchase II	Watertown, SD	41	9/90	1,411,023	98%
CE McKinley II	Rising Sun, MD	16	9/90	828,883	94%
Weston Apartments	Weston, AL	10	11/90	347,577	100%
Countrywood Apts.	Centreville, AL	40	11/90	1,590,987	100%
Wildwood Apts.	Pineville, LA	28	11/90	1,096,579	96%
Hancock	Hawesville, KY	12	12/90	440,425	100%
Hopkins	Madisonville, KY	24	12/90	927,256	96%
Elkhart Apts.	Elkhart, TX	54	1/91	1,671,047	94%
Bryan Senior	Bryan, OH	40	1/91	1,188,292	98%
Brubaker Square	New Carlisle, OH	38	1/91	1,459,016	95%
Southwood	Savannah, TN	44	1/91	1,805,582	98%
Villa Allegra	Celina, OH	32	1/91	1,150,622	94%
Belmont Senior	Cynthiana, KY	24	1/91	935,143	100%
Heritage Villas	Helena, GA	25	3/91	824,759	88%
Logansport Seniors	Logansport, LA	32	3/91	1,384,751	100%
		768		$28,251,449	

The average effective rental per unit is $3,540 per year ($295 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	$ 835,758	96%
Seneca Apartments	Seneca, MO	24	2/91	756,628	88%
Eudora Senior	Eudora, KS	36	3/91	1,280,033	92%
Westville	Westville, OK	36	3/91	1,101,686	86%
Wellsville Senior	Wellsville, KS	24	3/91	810,970	100%
Stilwell II	Stilwell, OK	52	3/91	1,657,974	81%
Spring Hill Sr.	Spring Hill, KS	24	3/91	1,036,369	96%
Smithfield	Smithfield, UT	40	4/91	1,892,651	93%
Tarpon Heights	Galliano, LA	48	4/91	2,263,014	96%
Oaks Apartments	Oakdale, LA	32	4/91	1,532,159	94%
Wynnwood Common	Fairchance, PA	34	4/91	1,725,462	100%
Chestnut Apts.	Howard, SD	24	5/91	1,074,298	29%
St. George	St. George, SC	24	6/91	939,018	100%
Williston	Williston, SC	24	6/91	998,739	100%
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	100%
Courtyard	Huron, SD	21	6/91	876,457	95%
Rural Development	Ashland, ME	25	6/91	1,429,003	92%
Jasper Villas	Jasper, AR	25	6/91	1,109,739	88%
Edmonton Senior	Edmonton, KY	24	6/91	906,714	96%
Jonesville Manor	Jonesville, VA	40	6/91	1,753,599	98%
Norton Green	Norton, VA	40	6/91	1,796,019	100%
Owingsville Senior	Owingsville, KY	22	8/91	853,294	100%
Timpson Seniors	Timpson, TX	28	8/91	815,916	82%
Piedmont	Barnesville, GA	36	8/91	1,289,047	92%
S.F. Arkansas City	Arkansas City, KS	12	8/91	412,028	100%
		879		$34,459,094	

The average effective rental per unit is $3,770 per year ($314 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	89%
Effingham	Effingham, IL	24	8/91	980,617	100%
S.F. Winfield	Winfield, KS	12	8/91	402,402	67%
S.F.Medicine Lodge	Medicine Lodge,KS	16	8/91	572,924	81%
S.F. Ottawa	Ottawa, KS	24	8/91	732,342	96%
S.F. Concordia	Concordia, KS	20	8/91	695,908	100%
Carrollton Club	Carrollton, GA	78	9/91	3,217,901	99%
Scarlett Oaks	Lexington, SC	40	9/91	1,684,973	100%
Brooks Hill	Ellijay, GA	44	9/91	1,760,233	98%
Greensboro	Greensboro, GA	24	9/91	866,259	100%
Greensboro II	Greensboro, GA	33	9/91	1,088,664	100%
Pine Terrace	Wrightsville, GA	25	9/91	886,334	63%
Shellman	Shellman, GA	27	9/91	901,648	96%
Blackshear	Cordele, GA	46	9/91	1,602,433	100%
Crisp Properties	Cordele, GA	31	9/91	1,128,784	100%
Crawford	Crawford, GA	25	9/91	907,712	100%
Yorkshire	Wagoner, OK	60	9/91	2,615,086	93%
Woodcrest	South Boston, VA	40	9/91	1,608,556	100%
Fox Ridge	Russellville, AL	24	9/91	889,941	92%
Redmont II	Red Bay, AL	24	9/91	840,596	100%
Clayton	Clayton, OK	24	9/91	871,530	92%
Alma	Alma, AR	24	9/91	957,710	96%
Pemberton Village	Hiawatha, KS	24	9/91	776,725	92%
Magic Circle	Eureka, KS	24	9/91	823,643	88%
Spring Hill	Spring Hill, KS	36	9/91	1,449,378	97%
Menard Retirement	Menard, TX	24	9/91	759,136	92%
Wallis Housing	Wallis, TX	24	9/91	578,333	92%
Zapata Housing	Zapata, TX	40	9/91	1,242,852	100%
Mill Creek	Grove, OK	60	11/91	1,741,669	100%
Portland II	Portland, IN	20	11/91	805,070	95%
Georgetown	Georgetown, OH	24	11/91	981,296	96%
Cloverdale	Cloverdale, IN	24	1/92	1,015,712	100%
So. Timber Ridge	Chandler, TX	44	1/92	1,328,429	95%
Pineville	Pineville, MO	12	5/92	414,054	100%
Ravenwood	Americus, GA	24	1/94	900,996	96%
		1,082		$39,547,548	

The average effective rental per unit is $3,765 per year ($314 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	$ 1,153,047	96%
Shannon	O'Neill, NE	16	11/91	691,211	100%
Carthage	Carthage, MO	24	1/92	754,057	96%
Mountain Crest	Enterprise, OR	39	3/92	1,256,339	100%
Coal City	Coal City, IL	24	3/92	1,301,992	100%
Blacksburg Terrace	Blacksburg, SC	32	4/92	1,372,973	100%
Frazer Place	Smyrna, DE	30	4/92	1,676,842	100%
Ehrhardt	Ehrhardt, SC	16	4/92	702,776	100%
Sinton	Sinton, TX	32	4/92	1,053,059	100%
Frankston	Frankston, TX	24	4/92	676,931	96%
Flagler Beach	Flagler Beach, FL	43	5/92	1,653,116	95%
Oak Ridge	Williamsburg, KY	24	5/92	1,037,966	96%
Monett	Monett, MO	32	5/92	983,114	97%
Arma	Arma, KS	28	5/92	891,180	100%
Southwest City	Southwest City, MO	12	5/92	424,118	100%
Meadowcrest	Luverne, AL	32	6/92	1,220,862	100%
Parsons	Parsons, KS	48	7/92	1,532,968	96%
Newport Village	Newport, TN	40	7/92	1,645,171	95%
Goodwater Falls	Jenkins, KY	36	7/92	1,414,978	100%
Northfield Station	Corbin, KY	24	7/92	1,022,561	92%
Pleasant Hill	Somerset, KY	24	7/92	961,926	92%
Winter Park	Mitchell, SD	24	7/92	1,307,741	100%
Cornell	Watertown, SD	24	7/92	1,128,263	83%
Heritage Drive So.	Jacksonville, TX	40	1/92	1,212,316	95%
Brodhead	Brodhead, KY	24	7/92	973,069	100%
Mt. Village	Mt. Vernon, KY	24	7/92	952,276	92%
Hazlehurst	Hazlehurst, MS	32	8/92	1,228,639	100%
Sunrise	Yankton, SD	33	8/92	1,438,507	97%
Stony Creek	Hooversville, PA	32	8/92	1,649,283	97%
Logan Place	Logan, OH	40	9/92	1,526,912	100%
Haines	Haines, AK	32	8/92	3,053,569	100%
Maple Wood	Barbourville, KY	24	8/92	1,039,790	100%
Summerhill	Gassville, AR	28	9/92	844,240	86%
Dorchester	St. George, SC	12	9/92	561,008	100%
Lancaster	Mountain View, AR	33	9/92	1,389,193	100%
Autumn Village	Harrison, AR	16	7/92	616,082	100%
Hardy	Hardy, AR	24	7/92	931,989	100%
Dawson	Dawson, GA	40	11/93	1,474,973	98%
		1,086		$44,755,037	

The average effective rental per unit is $4,172 per year ($348 per month).

Item 2 - Properties (continued):

A summary of the cost of the properties at December 31, 2004, 2003 and 2002 is as follows:

12/31/04

	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	136,496	123,414	222,427
Buildings	26,404,542	25,586,168	31,289,900
Furniture and Fixtures	936,014	1,556,321	1,758,655
Construction in Progress	38,604	0	0
Properties, at Cost	28,527,836	28,251,449	34,459,094
Less: Accum.Depreciation	12,747,926	15,378,450	14,409,096
Properties, Net	$ 15,779,910	$ 12,872,999	$ 20,049,998

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,451,551	$ 1,774,305	$ 6,411,694
Land Improvements	159,501	536,092	1,177,930
Buildings	36,164,853	40,018,159	159,463,622
Furniture and Fixtures	1,771,643	2,426,481	8,449,114
Construction in Progress	0	0	38,604
Properties, at Cost	39,547,548	44,755,037	175,540,964
Less: Accum.Depreciation	16,798,175	17,672,479	77,006,126
Properties, Net	$ 22,749,373	$ 27,082,558	$ 98,534,838

12/31/03

	SERIES 2	SERIES 3	SERIES 4
Land	$ 1,012,180	$ 985,546	$ 1,188,112
Land Improvements	127,098	120,660	183,610
Buildings	26,395,217	25,582,402	31,227,211
Furniture and Fixtures	901,769	1,511,965	1,769,135
Construction in Progress	38,604	0	15,667
Properties, at Cost	28,474,868	28,200,573	34,383,735
Less: Accum.Depreciation	11,882,795	14,415,659	13,360,202
Properties, Net	$ 16,592,073	$ 13,784,914	$ 21,023,533

	SERIES 5	SERIES 6	TOTAL
Land	$ 1,456,671	$ 1,774,305	$ 6,416,814
Land Improvements	140,401	527,948	1,099,717
Buildings	36,930,190	39,965,083	160,100,103
Furniture and Fixtures	1,853,071	2,358,221	8,394,161
Construction in Progress	0	0	54,271
Properties, at Cost	40,380,333	44,625,557	176,065,066
Less: Accum.Depreciation	15,887,639	16,310,634	71,856,929
Properties, Net	$ 24,492,694	$ 28,314,923	$104,208,137

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

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, 2005, 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, 2005
Beneficial Assignee Certificates	2,258
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 2	2005	2004	2003	2002	2001
Total Revenues	$ 13,938	$ 12,820	$ 12,665	$ 10,860	$ 8,982
Net Loss	(97,520)	(92,200)	(85,230)	(99,198)	(123,576)
Equity in Losses of Project Partnerships	(10,911)	(8,484)	(17,624)	(43,931)	(76,493)
Total Assets	394,306	445,532	523,794	575,947	634,752
Investments In Project Partnerships	34,391	47,597	58,381	78,301	124,529
Per BAC: (A)					
Tax Credits	.14	.14	2.79	64.12	162.60
Portfolio Income	4.18	5.18	7.31	11.87	14.10
Passive Loss	(142.06)	(157.55)	(146.95)	(148.48)	(127.50)
Net Loss	(15.73)	(14.88)	(13.75)	(16.00)	(19.94)

FOR THE YEARS ENDED MARCH 31,:

SERIES 3	2005	2004	2003	2002	2001
Total Revenues	$ 18,781	$ 22,801	$ 21,167	$ 19,990	$ 22,840
Net Loss	(77,647)	(77,243)	(82,729)	(80,062)	(58,677)
Equity in Losses of Project Partnerships	0	(5,137)	(25,505)	(34,441)	(26,094)
Total Assets	329,653	344,724	405,777	465,530	512,301
Investments In Project Partnerships	0	0	6,633	34,601	71,138
Per BAC: (A)					
Tax Credits	0	.17	1.38	6.22	44.70
Portfolio Income	5.78	6.54	7.92	13.83	14.00
Passive Loss	(147.47)	(159.39)	(137.28)	(154.72)	(156.40)
Net Loss	(14.09)	(14.02)	(15.01)	(14.53)	(10.65)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 4	2005	2004	2003	2002	2001
Total Revenues	$ 16,181	$ 27,960	$ 14,116	$ 15,207	$ 12,170
Net Loss	(102,967)	(98,159)	(160,313)	(185,366)	(311,663)
Equity in Losses of Project Partnerships	0	(8,763)	(77,657)	(118,314)	(254,163)
Total Assets	445,208	472,775	536,633	663,983	807,069
Investments In Project Partnerships	0	0	12,279	96,741	223,689
Per BAC: (A)					
Tax Credits	.21	1.22	2.98	82.68	165.70
Portfolio Income	5.11	4.16	8.48	12.51	15.00
Passive Loss	(140.52)	(134.34)	(147.73)	(149.99)	(160.40)
Net Loss	(14.74)	(14.05)	(22.95)	(26.54)	(44.62)

FOR THE YEARS ENDED MARCH 31,:

SERIES 5	2005	2004	2003	2002	2001
Total Revenues	$ 27,663	$ 16,981	$ 20,909	$ 21,532	$ 13,899
Net Income(Loss)	15,153	(265,039)	(261,993)	(268,277)	(248,131)
Equity in Losses of Project Partnerships	157,352	(133,705)	(159,492)	(189,327)	(179,765)
Total Assets	773,331	827,194	1,073,840	1,298,281	1,519,231
Investments In Project Partnerships	202,405	229,630	376,275	550,146	752,227
Per BAC: (A)					
Tax Credits	2.33	8.66	54.70	153.83	164.60
Portfolio Income	5.39	4.81	6.71	12.75	15.60
Passive Loss	(151.09)	(148.50)	(136.53)	(145.76)	(140.30)
Net Income(Loss)	(6.71)	(30.45)	(30.10)	(30.83)	(28.51)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 6	2005	2004	2003	2002	2001
Total Revenues	$ 32,039	$ 21,129	$ 16,919	$ 17,654	$ 8,932
Net Loss	(198,709)	(294,767)	(334,594)	(407,763)	(481,031)
Equity in Losses of Project Partnerships	(65,236)	(148,498)	(209,950)	(306,042)	(384,730)
Total Assets	1,374,037	1,467,978	1,731,924	2,016,612	2,364,264
Investments In Project Partnerships	781,147	858,488	1,024,672	1,257,026	1,584,877
Per BAC: (A)					
Tax Credits	3.81	15.16	129.74	167.27	165.60
Portfolio Income	5.34	5.41	7.48	11.24	13.80
Passive Loss	(99.58)	(109.10)	(115.70)	(127.50)	(127.30)
Net Loss	(19.47)	(28.88)	(32.78)	(39.95)	(47.13)

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

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

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

Results of Operations, Liquidity and Capital Resources

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

As disclosed on the statement of operations for each Series, interest income is comparable for the years ended March 31, 2005, March 31, 2004 and March 31, 2003. The General and Administrative expenses - General Partner and General and Administrative expenses - Other for the years ended March 31, 2005 and 2004 have increased as compared to March 31, 2003 due to a change in the method of allocation.

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. The distribution from the sale of Highland View, LP, in Series 5 will occur during fiscal year 2006. Future distributions may be made as a result of the sale of other properties.

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. In February 2004, the Partnership substituted a new General Partner and does not feel that this situation will have a material impact on the financial statements.

Series 2 - Gateway closed this series on September 14, 1990 after receiving $6,136,000 from 375 Assignees. As of March 31, 2005, 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, 2004.

Equity in Losses of Project Partnerships decreased from $17,624 for the year ended March 31, 2003 to $8,484 for the year ended March 31, 2004 and to $10,911 for the year ended March 31, 2005. As presented in Note 5, Gateway's share of net loss increased from $696,894 for the year ended March 31, 2003 to $747,194 for the year ended March 31, 2004 and decreased to $679,662 for the year ended March 31,2005. Suspended Losses were $679,270 for the year ended March 31, 2003, $738,710 for the year ended March 31, 2004 and $668,751 for the year ended March 31, 2005. 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 $864,473, $865,601 and $869,716 for the years ended December 31, 2002, 2003, and 2004 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, 2005, the Series had $235,004 of short-term investments (Cash and Cash Equivalents). It also had $124,911 in Zero Coupon Treasuries with annual maturities providing $63,506 in fiscal year 2006 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 $97,520 for the year ending March 31, 2005. However, after adjusting for Equity in Losses of Project Partnerships of $10,911 and the changes in operating assets and liabilities, net cash used in operating activities was $24,833. Cash provided by investing activities totaled $38,753, consisting of $15,038 in cash distributions from the Project Partnerships and $23,715 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, 2005 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 93% as of December 31, 2004.

Equity in Losses of Project Partnerships decreased from $25,505 for the year ended March 31, 2003 to $5,137 for the year ended March 31, 2004 and to $0 for the year ended March 31, 2005. As presented in Note 5, Gateway's share of net loss increased from $608,873 for the year ended March 31, 2003 to $704,663 for the year ended March 31, 2004 and to $727,644 for the year ended March 31, 2005. Suspended Losses increased from $583,368 for the year ended March 31, 2003 to $699,526 for the year ended March 31, 2004 and increased to $727,644 for the year ended March 31, 2005. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $961,550, $983,259 and $973,367 for the years ended December 31, 2002, 2003 and 2004, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $218,547 of short-term investments (Cash and Cash Equivalents). It also had $111,106 in Zero Coupon Treasuries with annual maturities providing $56,469 in fiscal year 2006 decreasing 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 $77,647 for the year ended March 31, 2005. However, after adjusting the changes in operating assets and liabilities, net cash used in operating activities was $8,746. Cash provided by investing activities totaled $39,874, consisting of $18,781 in cash distributions received from the Project Partnerships and $21,093 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, 2005, 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 93% at December 31, 2004.

Equity in Losses of Project Partnerships decreased from $77,657 for the year ended March 31, 2003 to $8,763 for the year ended March 31, 2004 and to $0 for the year ended March 31, 2005. As presented in Note 5, Gateway's share of net loss increased from $695,800 for the year ended March 31, 2003 to $732,427 for the year ended March 31, 2004 and increased to $806,547 for the year ended March 31, 2005. Suspended Losses increased from $618,143 for the year ended March 31, 2003 to $723,664 for the year ended March 31, 2004 and increased to $806,547 for the year ended March 31, 2005. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $1,044,807, $1,045,416 and $1,045,249 for the years ended December 31, 2002, 2003 and 2004, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $304,447 of short-term investments (Cash and Cash Equivalents). It also had $140,761 in Zero Coupon Treasuries with annual maturities providing $71,568 in fiscal year 2006 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 $102,967 for the year ended March 31, 2005. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was $11,934. Cash provided by investing activities totaled $42,896, consisting of $16,173 in cash distributions from the Project Partnerships and $26,723 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, 2005, the series had invested $6,010,273 in 35 Project Partnerships located in 12 states containing 1,082 apartment units. Average occupancy of the Project Partnerships was 96% as of December 31, 2004.

One of the Project Partnerships, Highland View, LP, sold its property in December 2004. The sale of the property resulted in a gain allocated to Gateway of $227,407. Gateway received sale proceeds totaling $157,127, which will be distributed to the Limited Partners at $18.24 per limited partnership unit during fiscal year 2006. Gateway had previously suspended losses reported by this Project Partnership in conformity with its policy to not record losses which reduce the investment below zero. As a result of the net increase in the investment from the sale transaction, Gateway was able to recognize $43,945 in suspended losses. Gateway’s ending investment in these Project Partnerships, after adjusting for the gain on sale, cash proceeds received and suspended losses, was $21,574, which is reported as a loss on disposition in the Combined Statements of Operations.

Equity in Losses of Project Partnerships were $159,492 for the year ended March 31, 2003, $133,705 for the year ended March 31, 2004 and $70,055 for the year ended March 31, 2005. (These Project Partnerships reported depreciation and amortization of $1,280,622, $1,276,928 and $1,247,246 for the years ended December 31, 2002, 2003 and 2004, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $238,360 of short-term investments (Cash and Cash Equivalents). It also had $175,440 in Zero Coupon Treasuries with annual maturities providing $89,173 in fiscal year 2006 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 net income of $15,153 for the year ended March 31, 2005. However, after adjusting for Equity in Losses of Project Partnerships of $70,055 and the changes in operating assets and liabilities, net cash used in operating activities was $175,056. Cash provided by investing activities totaled $64,242 consisting of $30,934 in cash distributions from the Project Partnerships and $33,308 from matured Zero Coupon Treasuries.

Series 6 - Gateway closed this series on March 11, 1992 after receiving $10,105,000 from 625 Assignees. As of March 31, 2005, 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 97% as of December 31, 2004.

Equity in Losses of Project Partnerships decreased from $209,950 for the year ended March 31, 2003 to $148,498 for the year ended March 31, 2004 and to $65,236 for the year ended March 31, 2005. These decreases were due to increases in rental income for the years ended March 31, 2003, 2004 and 2005. (These Project Partnerships reported depreciation and amortization of $1,361,813, $1,357,379, and $1,367,028 for the years ended December 31, 2002, 2003 and 2004, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2005, the Series had $444,751 of short-term investments (Cash and Cash Equivalents). It also had $147,439 in Zero Coupon Treasuries with annual maturities providing $79,000 in fiscal year 2006 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 $198,709 for the year ended March 31, 2005. However, after adjusting for Equity in Losses of Project Partnerships of $65,236 and the changes in operating assets and liabilities, net cash used in operating activities was $25,627. Cash provided by investing activities totaled $68,843 of which $38,038 was received in cash distributions from the Project Partnerships and $30,805 from matured Zero Coupon Treasuries. There were no unusual events or trends to describe.

Disclosure of Contractual Obligations

		Payment due by period			
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations					
Capital Lease Obligations					
Operating Lease Obligations					
Purchase Obligations					
Other Long-Term Liabilities Reflected on the Registrant’s Balance Sheet under GAAP	2,687,637 (1)	115,927	0	0	2,571,710

(1) The Other Long-Term Liabilities represent the asset management fees owed to the General Partners as of 03/31/2005. It is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. As referred to in Note 4, the Managing General Partner does not intend to demand payment of the portion of this balance reflected as due in greater than one year within the next twelve months.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 2005 and 2004 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, 2005. 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 investments included on the balance sheets as of March 31, 2005 and 2004 and net losses included on the statements of operations for each of the three years in the period ended March 31, 2005 are:

	Investments March 31,		Partnership Loss Year Ended March 31,		
	2005	2004	2005	2004	2003
Series 2	$ 0	$ 0	$ 0	$ 0	$ 0
Series 3	0	0	0	0	12,361
Series 4	0	0	0	8,763	71,223
Series 5	0	226,590	0	96,457	68,984
Series 6	37,139	105,364	25,005	112,874	130,246

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 the standards of the Public Company Accounting Oversight Board (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. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly we express no such opinion. 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, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2005, 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 29, 2005

PART I - Financial Information
Item 1. Financial Statements

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 2	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 235,004	$ 221,084
Investments in Securities	63,596	61,300
Total Current Assets	298,600	282,384
Investments in Securities	61,315	115,551
Investments in Project Partnerships, Net	34,391	47,597
Total Assets	$ 394,306	$ 445,532
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 45,045	$ 63,359
Total Current Liabilities	45,045	63,359
Long-Term Liabilities:		
Payable to General Partners	531,644	467,036
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	(126,760)	(30,215)
General Partners	(55,623)	(54,648)
Total Partners' Equity (Deficit)	(182,383)	(84,863)
Total Liabilities and Partners' Equity (Deficit)	$ 394,306	$ 445,532

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 3	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 218,547	$ 187,419
Investments in Securities	56,568	54,525
Total Current Assets	275,115	241,944
Investments in Securities	54,538	102,780
Investments in Project Partnerships, Net	0	0
Total Assets	$ 329,653	$ 344,724
LIABILITIES AND PARTNERS’ EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 49,309	$ 63,415
Total Current Liabilities	49,309	63,415
Long-Term Liabilities:		
Payable to General Partners	430,440	353,758
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	(100,780)	(23,909)
General Partners	(49,316)	(48,540)
Total Partners’ Equity (Deficit)	(150,096)	(72,449)
Total Liabilities and Partners’ Equity (Deficit)	$ 329,653	$ 344,724

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 4	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 304,447	$ 273,485
Investments in Securities	71,666	69,078
Total Current Assets	376,113	342,563
Investments in Securities	69,095	130,212
Investments in Project Partnerships, Net	0	0
Total Assets	$ 445,208	$ 472,775
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 54,471	$ 66,784
Total Current Liabilities	54,471	66,784
Long-Term Liabilities:		
Payable to General Partners	570,233	482,520
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	(117,046)	(15,109)
General Partners	(62,450)	(61,420)
Total Partners' Equity (Deficit)	(179,496)	(76,529)
Total Liabilities and Partners' Equity (Deficit)	$ 445,208	$ 472,775

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 5	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 238,360	$ 349,174
Restricted Cash	157,126	0
Investments in Securities	89,322	86,098
Total Current Assets	484,808	435,272
Investments in Securities	86,118	162,292
Investments in Project Partnerships, Net	202,405	229,630
Total Assets	$ 773,331	$ 827,194
LIABILITIES AND PARTNERS’ EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 72,789	$ 96,999
Distribution Payable	157,126	0
Other Payable	700	0
Total Current Liabilities	230,615	96,999
Long-Term Liabilities:		
Payable to General Partners	418,856	464,362
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	123,860	338,798
General Partners	0	(72,965)
Total Partners’ Equity (Deficit)	123,860	265,833
Total Liabilities and Partners’ Equity (Deficit)	$ 773,331	$ 827,194

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

SERIES 6	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 444,751	$ 401,535
Accounts Receivable - Other	700	0
Investments in Securities	74,664	70,976
Total Current Assets	520,115	472,511
Investments in Securities	72,775	136,979
Investments in Project Partnerships, Net	781,147	858,488
Total Assets	$1,374,037	$1,467,978
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 68,579	$ 90,272
Other Payble	500	0
Total Current Liabilities	69,079	90,272
Long-Term Liabilities:		
Payable to General Partners	736,464	610,503
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	651,535	848,257
General Partners	(83,041)	(81,054)
Total Partners' Equity (Deficit)	568,494	767,203
Total Liabilities and Partners' Equity (Deficit)	$1,374,037	$1,467,978

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEET
MARCH 31, 2005 AND 2004

TOTAL SERIES 2 - 6	2005	2004
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$1,441,109	$1,432,697
Restricted Cash	157,126	0
Accounts Receivable - Other	700	0
Investments in Securities	355,816	341,977
Total Current Assets	1,954,751	1,774,674
Investments in Securities	343,841	647,814
Investments in Project Partnerships, Net	1,017,943	1,135,715
Total Assets	$3,316,535	$3,558,203
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 290,193	$ 380,829
Distribution Payable	157,126	0
Other Payable	1,200	0
Total Current Liabilities	448,519	380,829
Long-Term Liabilities:		
Payable to General Partners	2,687,637	2,378,179
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, 2005 and 2004 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, 2005 and 2004, issued and outstanding	430,809	1,117,822
General Partners	(250,430)	(318,627)
Total Partners' Equity (Deficit)	180,379	799,195
Total Liabilities and Partners' Equity (Deficit)	$3,316,535	$3,558,203

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	2005	2004	2003
Revenues:			
Distribution Income	$ 13,938	$ 12,820	$ 12,665
Total Revenues	13,938	12,820	12,665
Expenses:			
Asset Management Fee-General Partner	67,609	67,822	68,021
General and Administrative:			
General Partner	32,074	32,065	18,483
Other	11,930	10,198	12,050
Amortization	697	698	696
Total Expenses	112,310	110,783	99,250
Loss Before Equity in Losses of Project Partnerships and Other Income	(98,372)	(97,963)	(86,585)
Equity in Losses of Project Partnerships	(10,911)	(8,484)	(17,624)
Interest Income	11,763	14,247	18,979
Net Loss	$ (97,520)	$ (92,200)	$ (85,230)
Allocation of Net Loss:			
Assignees	$ (96,545)	$ (91,278)	$ (84,378)
General Partners	(975)	(922)	(852)
	$ (97,520)	$ (92,200)	$ (85,230)
Net Loss Per Beneficial Assignee Certificate	$ (15.73)	$ (14.88)	$ (13.75)
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	2005	2004	2003
Revenues:			
Distribution Income	$ 18,781	$ 22,801	$ 21,167
Total Revenues	18,781	22,801	21,167
Expenses:			
Asset Management Fee-General Partner	62,717	63,022	62,667
General and Administrative:			
General Partner	33,531	33,523	19,323
Other	10,716	10,490	12,669
Amortization	0	516	516
Total Expenses	106,964	107,551	95,175
Loss Before Equity in Losses of Project Partnerships and Other Income	(88,183)	(84,750)	(74,008)
Equity in Losses of Project Partnerships	0	(5,137)	(25,505)
Interest Income	10,536	12,644	16,784
Net Loss	$ (77,647)	$ (77,243)	$ (82,729)
Allocation of Net Loss:			
Assignees	$ (76,871)	$ (76,471)	$ (81,902)
General Partners	(776)	(772)	(827)
	$ (77,647)	$ (77,243)	$ (82,729)
Net Loss Per Beneficial Assignee Certificate	$ (14.09)	$ (14.02)	$ (15.01)
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	2005	2004	2003
Revenues:			
Distribution Income	$ 16,181	$ 27,960	$ 14,116
Total Revenues	16,181	27,960	14,116
Expenses:			
Asset Management Fee - General Partner	77,205	77,448	77,271
General and Administrative:			
General Partner	42,279	42,266	24,365
Other	13,260	13,098	15,376
Amortization	0	671	1,235
Total Expenses	132,744	133,483	118,247
Loss Before Equity in Losses of Project Partnerships and Other Income	(116,563)	(105,523)	(104,131)
Equity in Losses of Project Partnerships	0	(8,763)	(77,657)
Interest Income	13,596	16,127	21,475
Net Loss	$(102,967)	$ (98,159)	$(160,313)
Allocation of Net Loss:			
Assignees	$(101,937)	$ (97,177)	$(158,710)
General Partners	(1,030)	(982)	(1,603)
	$(102,967)	$ (98,159)	$(160,313)
Net Loss Per Beneficial Assignee Certificate	$ (14.74)	$ (14.05)	$ (22.95)
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	2005	2004	2003
Revenues:			
Distribution Income	$ 27,663	$ 16,981	$ 20,909
Total Revenues	27,663	16,981	20,909
Expenses:			
Asset Management Fee - General Partner	92,722	95,180	95,480
General and Administrative:			
General Partner	52,484	52,470	30,245
Other	17,788	16,351	20,045
Amortization	2,005	4,560	4,807
Total Expenses	164,999	168,561	150,577
Loss Before Equity in Losses of Project Partnerships and Other Income	(137,336)	(151,580)	(129,668)
Equity in Income (Losses) of Project Partnerships:			
Current Year Equity in Loss of Project Partnerships	(26,110)	(133,705)	(159,492)
Suspended Losses Utilized in Current Year	(43,945)	0	0
Gain on Sale of Partnership Assets	227,407	0	0
Total Equity in Income (Losses) of Project Partnership	157,352	(133,705)	(159,492)
Loss on Disposition of Partnership Interests	(21,574)	0	0
Interest Income	16,711	20,246	27,167
Net Income (Loss)	$ 15,153	$(265,039)	$(261,993)
Allocation of Net Loss:			
Assignees	(57,812)	$(262,389)	$(259,373)
General Partners	72,965	(2,650)	(2,620)
	$ 15,153	$(265,039)	$(261,993)
Net Loss Per Beneficial Assignee Certificate	$ (6.71)	$ (30.45)	$ (30.10)
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	2005	2004	2003
Revenues:			
Distribution Income	$ 32,039	$ 21,129	$ 16,919
Total Revenues	32,039	21,129	16,919
Expenses:			
Asset Management Fee - General Partner	104,509	104,953	105,376
General and Administrative:			
General Partner	55,400	55,384	31,926
Other	17,799	18,607	20,786
Amortization	6,106	8,403	8,896
Total Expenses	183,814	187,347	166,984
Loss Before Equity in Losses of Project Partnerships and Other Income	(151,775)	(166,218)	(150,065)
Equity in Losses of Project Partnerships	(65,236)	(148,498)	(209,950)
Interest Income	18,302	19,949	25,421
Net Loss	$(198,709)	$(294,767)	$(334,594)
Allocation of Net Loss:			
Assignees	$(196,722)	$(291,819)	$(331,248)
General Partners	(1,987)	(2,948)	(3,346)
	$(198,709)	$(294,767)	$(334,594)
Net Loss Per Beneficial Assignee Certificate	$ (19.47)	$ (28.88)	$ (32.78)
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	2005	2004	2003
Revenues:			
Distribution Income	$ 108,602	$ 101,691	$ 85,776
Total Revenues	108,602	101,691	85,776
Expenses:			
Asset Management Fee-General Partner	404,762	408,425	408,815
General and Administrative:			
General Partner	215,768	215,708	124,342
Other	71,493	68,744	80,926
Amortization	8,808	14,848	16,150
Total Expenses	700,831	707,725	630,233
Loss Before Equity in Losses of Project Partnerships and Other Income	(592,229)	(606,034)	(544,457)
Equity in Losses of Project Partnerships	(102,257)	(304,587)	(490,228)
Suspended Losses Utilized in Current Year	(43,945)	0	0
Gain on Sale of Project Partnership	227,407	0	0
Total Equity in Income (Losses) of Project Partnerships	81,205	(304,587)	(490,228)
Loss on Disposition of Partnership Interests	(21,574)	0	0
Interest Income	70,908	83,213	109,826
Net Loss	$ (461,690)	$ (827,408)	$ (924,859)
Allocation of Net Loss:			
Assignees	$ (529,887)	$ (819,134)	$ (915,611)
General Partners	68,197	(8,274)	(9,248)
	$ (461,690)	$ (827,408)	$ (924,859)

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, 2005, 2004 AND 2003

SERIES 2

	Assignees	General Partners	Total
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
Net Loss	(91,278)	(922)	(92,200)
Balance at March 31, 2004	(30,215)	(54,648)	(84,863)
Net Loss	(96,545)	(975)	(97,520)
Balance at March 31, 2005	$ (126,760)	$ (55,623)	$ (182,383)

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, 2005, 2004 AND 2003

SERIES 3

	Assignees	General Partners	Total
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
Net Loss	(76,471)	(772)	(77,243)
Balance at March 31, 2004	(23,909)	(48,540)	(72,449)
Net Loss	(76,871)	(776)	(77,647)
Balance at March 31, 2005	$ (100,780)	$ (49,316)	$ (150,096)

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, 2005, 2004 AND 2003

SERIES 4	Assignees	General Partners	Total
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
Net Loss	(97,177)	(982)	(98,159)
Balance at March 31, 2004	(15,109)	(61,420)	(76,529)
Net Loss	(101,937)	(1,030)	(102,967)
Balance at March 31, 2005	$ (117,046)	$ (62,450)	$ (179,496)

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, 2005, 2004 AND 2003

SERIES 5	Assignees	General Partners	Total
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
Net Loss	(262,389)	(2,650)	(265,039)
Balance at March 31, 2004	338,798	(72,965)	265,833
Net Income	(57,812)	72,965	15,153
Distributions	(157,126)	0	(157,126)
Balance at March 31, 2005	$ 123,860	$ 0	$ 123,860

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, 2005, 2004 AND 2003

SERIES 6

	Assignees	General Partners	Total
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
Net Loss	(291,819)	(2,948)	(294,767)
Balance at March 31, 2004	848,257	(81,054)	767,203
Net Loss	(196,722)	(1,987)	(198,709)
Balance at March 31, 2005	$ 651,535	$ (83,041)	$ 568,494

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, 2005, 2004 AND 2003

TOTAL SERIES 2 - 6	Assignees	General Partners	Total
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
Net Loss	(819,134)	(8,274)	(827,408)
Balance at March 31, 2004	1,117,822	(318,627)	799,195
Net Loss	(529,887)	(68,197)	(461,690)
Distributions	(157,126)	0	(157,126)
Balance at March 31, 2005	$ 430,809	$(250,430)	$ 180,379

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, 2005, 2004 AND 2003

SERIES 2	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(97,520)	$(92,200)	$(85,230)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	697	698	696
Accreted Interest Income on Investments in Securities	(9,361)	(13,179)	(16,515)
Equity in Losses of Project Partnerships	10,911	8,484	17,624
Interest Income from Redemption of Securities	37,584	33,934	30,400
Distributions Included in Other Income	(13,438)	(12,820)	(12,665)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	46,294	13,938	33,077
Net Cash Used in Operating Activities	(24,833)	(61,145)	(32,613)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	15,038	14,422	14,265
Redemption of Investment in Securities	23,715	24,652	25,698
Net Cash Provided by Investing Activities	38,753	39,074	39,963
Increase (Decrease) in Cash and Cash Equivalents	13,920	(22,071)	7,350
Cash and Cash Equivalents at Beginning of Year	221,084	243,155	235,805
Cash and Cash Equivalents at End of Year	$ 235,004	$ 221,084	$ 243,155

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, 2005, 2004 AND 2003

SERIES 3	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$ (77,647)	$ (77,243)	$ (82,729)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	0	516	516
Accreted Interest Income on Investments in Securities	(8,327)	(11,722)	(14,689)
Equity in Losses of Project Partnerships	0	5,137	25,505
Interest Income from Redemption of Securities	33,433	30,183	27,037
Distributions Included In Other Income	(18,781)	(22,801)	(21,167)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	62,576	16,190	22,976
Net Cash Used in Operating Activities	(8,746)	(59,740)	(42,551)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	18,781	23,780	23,114
Redemption of Investment in Securities	21,093	21,929	22,859
Net Cash Provided by Investing Activities	39,874	45,709	45,973
Increase (Decrease) in Cash and Cash Equivalents	31,128	(14,031)	3,422
Cash and Cash Equivalents at Beginning of Year	187,419	201,450	198,028
Cash and Cash Equivalents at End of Year	$ 218,547	$ 187,419	$ 201,450

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, 2005, 2004 AND 2003

SERIES 4	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(102,967)	$ (98,159)	$(160,313)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	0	671	1,235
Accreted Interest Income on Investments in Securities	(10,549)	(14,851)	(18,610)
Equity in Losses of Project Partnerships	0	8,763	77,657
Interest Income from Redemption of Securities	42,355	38,238	34,256
Distributions Included In Other Income	(16,173)	(27,960)	(14,116)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	75,400	34,302	32,963
Net Cash Used in Operating Activities	(11,934)	(58,996)	(46,928)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	16,173	30,805	19,685
Redemption of Investment in Securities	26,723	27,780	28,960
Net Cash Provided by Investing Activities	42,896	58,585	48,645
Increase (Decrease) in Cash and Cash Equivalents	30,962	(411)	1,717
Cash and Cash Equivalents at Beginning of Year	273,485	273,896	272,179
Cash and Cash Equivalents at End of Year	$ 304,447	$ 273,485	$ 273,896

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, 2005, 2004 AND 2003

SERIES 5	2005	2004	2003
Cash Flows from Operating Activities:			
Net Income (Loss)	$ 15,153	$(265,039)	$(261,993)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:			
Amortization	2,005	4,560	4,807
Accreted Interest Income on Investments in Securities	(13,147)	(18,510)	(23,195)
Equity in Losses of Project Partnerships	70,055	133,705	159,492
Gain on Sale of Partnership Assets	(227,407)	0	0
Loss on Disposition of Partnership Interests	21,574	0	0
Interest Income from Redemption of Securities	52,790	47,662	42,695
Distributions Included In Other Income	(27,063)	(16,981)	(20,909)
Changes in Operating Assets and Liabilities:			
Increase (decrease) in Payable to General Partners	(69,716)	18,393	37,552
Increase in Other Payable	700	0	0
Net Cash Used in Operating Activities	(175,056)	(96,210)	(61,551)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	30,934	25,358	30,482
Redemption of Investment in Securities	33,308	34,624	36,094
Net Cash Provided by Investing Activities	64,242	59,982	66,576
Increase (Decrease) in Cash and Cash Equivalents	(110,814)	(36,228)	5,025
Cash and Cash Equivalents at Beginning of Year	349,174	385,402	380,377
Cash and Cash Equivalents at End of Year	$ 238,360	$ 349,174	$ 385,402

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, 2005, 2004 AND 2003

SERIES 6	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(198,709)	$(294,767)	$(334,594)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	6,106	8,403	8,896
Accreted Interest Income on Investments in Securities	(14,483)	(18,286)	(21,459)
Equity in Losses of Project Partnerships	65,236	148,498	209,950
Interest Income from Redemption of Securities	44,194	38,520	33,739
Distributions Included In Other Income	(32,039)	(21,129)	(16,919)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(700)	0	0
Increase in Payable to General Partners	104,268	30,821	49,906
Increase in Other Payables	500	0	0
Net Cash Used in Operating Activities	(25,627)	(107,940)	(70,481)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	38,038	30,412	30,427
Redemption of Investment in Securities	30,805	31,478	32,262
Net Cash Provided by Investing Activities	68,843	61,890	62,689
Increase (Decrease) in Cash and Cash Equivalents	43,216	(46,050)	(7,792)
Cash and Cash Equivalents at Beginning of Year	401,535	447,585	455,377
Cash and Cash Equivalents at End of Year	$ 444,751	$ 401,535	$ 447,585

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, 2005, 2004 AND 2003

TOTAL SERIES 2 - 6	2005	2004	2003
Cash Flows from Operating Activities:			
Net Loss	$(461,690)	$(827,408)	$(924,859)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	8,808	14,848	16,150
Accreted Interest Income on Investments in Securities	(55,867)	(76,548)	(94,468)
Equity in Losses of Project Partnerships	146,202	304,587	490,228
Gain on Sale of Partnership Assets	(227,407)	0	0
Loss on Disposition of Partnership Interests	21,574	0	0
Interest Income from Redemption of Securities	210,356	188,537	168,127
Distributions Included In Other Income	(107,494)	(101,691)	(85,776)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(700)	0	0
Increase in Payable to General Partners	218,822	113,644	176,474
Increase in Other Payable	1,200	0	0
Net Cash Used in Operating Activities	(246,196)	(384,031)	(254,124)
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	118,964	124,777	117,973
Redemption of Investment in Securities	135,644	140,463	145,873
Net Cash Provided by Investing Activities	254,608	265,240	263,846
Increase (Decrease) in Cash and Cash Equivalents	8,412	(118,791)	9,722
Cash and Cash Equivalents at Beginning of Year	1,432,697	1,551,488	1,541,766
Cash and Cash Equivalents at End of Year	$ 1,441,109	$ 1,432,697	$ 1,551,488

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005, 2004 AND 2003

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, 2005, 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.

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, 2005. 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 sole 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:

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

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. Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships.

Cash and Cash Equivalents

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

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

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 2004 and 2003 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2005.

Recent Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46 (“FIN46”), “Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51.” Gateway has adopted FIN 46 and applied its requirements to all Project Partnerships in which Gateway held an interest. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics, (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group the holders of the equity investment at risk lack (i) the ability to make decisions about an entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. FIN 46 requires VIE to be consolidated in the financial statements of the entity that is determined to be the primary beneficiary of the VIE. The primary beneficiary, as is applicable to Gateway’s circumstances, is the party in the Project Partnership equity group that is most closely associated with the Project Partnership.

As of March 31, 2005, Gateway determined that it held variable interests in 143 VIE’s, which consist of Project Partnerships, which Gateway is not the primary beneficiary. Gateway’s maximum exposure to loss as a result of its involvement with unconsolidated VIE’s is limited to Gateway’s recorded investments in and receivables from those VIE’s, which is approximately $1,017,943 at March 31, 2005. Gateway may be subject to additional losses to the extent of any financial support that Gateway voluntarily provides to those Project Partnerships in the future.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2005 Balance Sheet includes Investment in Securities consisting of U.S. Government Security Strips which represents their cost, plus accreted interest income of $80,534 for Series 2, $71,633 for Series 3, $90,753 for Series 4, $113,112 for Series 5 and $89,306 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	$ 127,481	$ 124,911	$ 2,570
Series 3	113,355	111,106	2,249
Series 4	143,666	140,761	2,905
Series 5	179,006	175,440	3,566
Series 6	154,155	147,439	6,716

As of March 31, 2005, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
Due within 1 year	$ 63,596	$ 56,568	$ 71,666
After 1 year through 5 years	61,315	54,538	69,095
Total Amount Carried on Balance Sheet	$ 124,911	$ 111,106	$ 140,761

	Series 5	Series 6	Total
Due within 1 year	$ 89,322	$ 74,664	$ 355,816
After 1 year through 5 years	86,118	72,775	343,841
Total Amount Carried on Balance Sheet	$ 175,440	$ 147,439	$ 699,657

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.

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued):

For the years ended March 31, 2005, 2004 and 2003 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.

	2005	2004	2003
Series 2	$ 67,609	$ 67,822	$ 68,021
Series 3	62,717	63,022	62,667
Series 4	77,205	77,448	77,271
Series 5	92,722	95,180	95,480
Series 6	104,509	104,953	105,376
Total	$ 404,762	$ 408,425	$ 408,815

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.

	2005	2004	2003
Series 2	$ 32,074	$ 32,065	$ 18,483
Series 3	33,531	33,523	19,323
Series 4	42,279	42,266	24,365
Series 5	52,484	52,470	30,245
Series 6	55,400	55,384	31,926
Total	$215,768	$215,708	$124,342

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 2

As of March 31, 2005, 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, 2005	MARCH 31, 2004
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)	(4,710,669)	(4,699,758)
Cumulative distributions received from Project Partnerships	(86,005)	(84,405)
Investment in Project Partnerships before Adjustment	(271,996)	(259,485)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	390,838	390,838
Accumulated amortization of acquisition fees and expenses	(84,451)	(83,756)
Investments in Project Partnerships	$ 34,391	$ 47,597

(1) In accordance with the Partnership’s accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,027,429 for the year ended March 31, 2005 and cumulative suspended losses of $4,358,678 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 3

As of March 31, 2005, 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, 2005	MARCH 31, 2004
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)	(4,133,478)	(4,133,478)
Cumulative distributions received from Project Partnerships	(164,417)	(164,417)
Investment in Project Partnerships before Adjustment	(409,182)	(409,182)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	491,746	491,746
Accumulated amortization of acquisition fees and expenses	(82,564)	(82,564)
Investments in Project Partnerships	$ 0	$ 0

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,850,760 for the year ended March 31, 2005 and cumulative suspended losses of $5,123,116 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 4

As of March 31, 2005, 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, 2005	MARCH 31, 2004
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)	(5,268,905)	(5,268,905)
Cumulative distributions received from Project Partnerships	(124,819)	(124,819)
Investment in Project Partnerships before Adjustment	(441,205)	(441,205)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	562,967	562,967
Accumulated amortization of acquisition fees and expenses	(121,762)	(121,762)
Investments in Project Partnerships	$ 0	$ 0

1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,920,242 for the year ended March 31, 2005 and cumulative suspended losses of $4,113,695 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 5

As of March 31, 2005, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 35 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, 2005	MARCH 31, 2004
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 6,010,273	$ 6,164,472
Cumulative equity in losses of Project Partnerships (1)	(6,104,694)	(6,247,828)
Cumulative distributions received from Project Partnerships	(196,610)	(196,488)
Investment in Project Partnerships before Adjustment	(291,031)	(279,844)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	632,419	650,837
Accumulated amortization of acquisition fees and expenses	(138,983)	(141,363)
Investments in Project Partnerships	$ 202,405	$ 229,630

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,631,211 for the year ended March 31, 2005 and cumulative suspended losses of $4,928,362 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 6

As of March 31, 2005, 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, 2005	MARCH 31, 2004
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)	(7,044,277)	(6,979,041)
Cumulative distributions received from Project Partnerships	(219,390)	(213,391)
Investment in Project Partnerships before Adjustment	198,548	269,783
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	785,179	785,179
Accumulated amortization of acquisition fees and expenses	(202,580)	(196,474)
Investments in Project Partnerships	$ 781,147	$ 858,488

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $3,911,618 for the year ended March 31, 2005 and cumulative suspended losses of $3,303,141 for the year ended March 31, 2004 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, 2005	MARCH 31, 2004
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 26,838,398	$ 26,992,597
Cumulative equity in losses of Project Partnerships (1)	(27,262,023)	(27,329,010)
Cumulative distributions received from Project Partnerships	(791,241)	(783,520)
Investment in Project Partnerships before Adjustment	(1,214,866)	(1,119,933)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,863,149	2,881,567
Accumulated amortization of acquisition fees and expenses	(630,340)	(625,919)
Investments in Project Partnerships	$ 1,017,943	$ 1,135,715

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, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 1,968,967	$ 1,968,746	$ 1,996,703
Investment properties, net	15,779,910	16,592,073	17,389,222
Other assets	770	12,876	30,833
Total assets	$17,749,647	$18,573,695	$19,416,758
Liabilities and Partners' Equity:			
Current liabilities	$ 483,214	$ 503,026	$ 479,598
Long-term debt	22,746,522	22,832,568	22,911,635
Total liabilities	23,229,736	23,335,594	23,391,233
Partners' equity			
Limited Partner	(5,354,226)	(4,660,463)	(3,898,565)
General Partners	(125,863)	(101,436)	(75,910)
Total Partners' equity	(5,480,089)	(4,761,899)	(3,974,475)
Total liabilities and partners' equity	$17,749,647	$18,573,695	$19,416,758
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,270,346	$ 4,224,657	$ 4,185,769
Expenses:			
Operating expenses	2,079,978	2,102,111	2,005,732
Interest expense	2,007,179	2,011,686	2,019,497
Depreciation and amortization	869,716	865,601	864,473
Total expenses	4,956,873	4,979,398	4,889,702
Net loss	$ (686,527)	$ (754,741)	$ (703,933)
Other partners' share of net loss	$ (6,865)	$ (7,547)	$ (7,039)
Partnership's share of net loss	$ (679,662)	$ (747,194)	$ (696,894)
Suspended losses	668,751	738,710	679,270
Equity in Losses of Project Partnerships	$ (10,911)	$ (8,484)	$ (17,624)

As of December 31, 2004, the largest Project Partnership constituted 12.0% and 13.7%, and as of December 31, 2003 the largest Project Partnership constituted 12.2% and 14.5% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 3	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,560,603	$ 2,528,204	$ 2,494,464
Investment properties, net	12,872,999	13,784,914	14,677,423
Other assets	166,839	175,280	207,241
Total assets	$15,600,441	$16,488,398	$17,379,128
Liabilities and Partners' Equity:			
Current liabilities	$ 508,518	$ 482,162	$ 767,216
Long-term debt	21,412,108	21,535,458	21,388,284
Total liabilities	21,920,626	22,017,620	22,155,500
Partners' equity			
Limited Partner	(6,676,166)	(5,924,969)	(5,199,220)
General Partners	355,981	395,747	422,848
Total Partners' equity	(6,320,185)	(5,529,222)	(4,776,372)
Total liabilities and partners' equity	$15,600,441	$16,488,398	$17,379,128
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,301,073	$ 4,123,334	$ 3,894,384
Expenses:			
Operating expenses	2,100,539	1,961,831	1,846,763
Interest expense	1,967,487	1,894,630	1,705,335
Depreciation and amortization	973,367	983,259	961,550
Total expenses	5,041,393	4,839,720	4,513,648
Net loss	$ (740,320)	$ (716,386)	$ (619,264)
Other partners' share of net loss	$ (12,676)	$ (11,723)	$ (10,391)
Partnership's share of net loss	$ (727,644)	$ (704,663)	$ (608,873)
Suspended losses	727,644	699,526	583,368
Equity in Losses of Project Partnerships	$ 0	$ (5,137)	$ (25,505)

As of December 31, 2004, the largest Project Partnership constituted 8.5% and 6.4%, and as of December 31, 2003 the largest Project Partnership constituted 8.4% and 6.7% 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, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 2,310,917	$ 2,246,924	$ 2,096,991
Investment properties, net	20,049,998	21,023,533	21,967,065
Other assets	33,120	20,390	98,167
Total assets	$22,394,035	$23,290,847	$24,162,223
Liabilities and Partners' Equity:			
Current liabilities	$ 910,446	$ 864,424	$ 1,042,776
Long-term debt	26,191,312	26,289,686	26,217,878
Total liabilities	27,101,758	27,154,110	27,260,654
Partners' equity			
Limited Partner	(5,435,023)	(4,611,405)	(3,856,877)
General Partners	727,300	748,142	758,446
Total Partners' equity	(4,707,723)	(3,863,263)	(3,098,431)
Total liabilities and partners' equity	$22,394,035	$23,290,847	$24,162,223
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 4,938,004	$ 4,832,351	$ 4,729,907
Expenses:			
Operating expenses	2,576,638	2,432,823	2,278,471
Interest expense	2,138,281	2,096,318	2,111,419
Depreciation and amortization	1,045,249	1,045,416	1,044,807
Total expenses	5,760,168	5,574,557	5,434,697
Net loss	$ (822,164)	$ (742,206)	$ (704,790)
Other partners' share of net loss	$ (15,617)	$ (9,779)	$ (8,990)
Partnership's share of net loss	$ (806,547)	$ (732,427)	$ (695,800)
Suspended losses	806,547	723,664	618,143
Equity in Losses of Project Partnerships	$ 0	$ (8,763)	$ (77,657)

As of December 31, 2004, the largest Project Partnership constituted 7.8% and 5.8%, and as of December 31, 2003 the largest Project Partnership constituted 7.8% and 5.6% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 5	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 3,075,902	$ 3,058,047	$ 2,992,231
Investment properties, net	22,749,373	24,492,694	25,673,688
Other assets	51,964	2,286	133,044
Total assets	$25,877,239	$27,553,027	$28,798,963
Liabilities and Partners' Equity:			
Current liabilities	$ 736,200	$ 807,429	$ 803,333
Long-term debt	31,392,413	32,229,915	32,351,185
Total liabilities	32,128,613	33,037,344	33,154,518
Partners' equity			
Limited Partner	(5,930,379)	(5,197,812)	(4,110,580)
General Partners	(320,995)	(286,505)	(244,975)
Total Partners' equity	(6,251,374)	(5,484,317)	(4,355,555)
Total liabilities and partners' equity	$25,877,239	$27,553,027	$28,798,963
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 5,792,482	$ 5,575,579	$ 5,359,025
Gain on Sale	227,407	0	0
Total Income	6,019,889	5,575,579	5,359,025
Expenses:			
Operating expenses	3,096,406	3,119,514	2,910,555
Interest expense	2,229,541	2,250,016	2,121,354
Depreciation and amortization	1,247,246	1,276,928	1,280,622
Total expenses	6,573,193	6,646,458	6,312,531
Net loss	$ (553,304)	$(1,070,879)	$ (953,506)
Other partners' share of net loss	$ (7,807)	$ (10,709)	$ (9,535)
Partnership's share of net loss	$ (545,497)	$(1,060,170)	$ (943,971)
Suspended losses	746,794	926,465	784,479
Equity in Income (Losses) of Project Partnerships	$ 201,297	$ (133,705)	$ (159,492)

As of December 31, 2004, the largest Project Partnership constituted 8.3% and 8.0%, and as of December 31, 2003 the largest Project Partnership constituted 7.9% and 8.2% of the combined total assets by series and combined total revenues by series, respectively.

One of the Project Partnerships, Highland View, LP, sold its property in December 2004. The sale of the property resulted in a gain allocated to Gateway of $227,407. Gateway received sale proceeds totaling $157,127, which will be distributed to the Limited Partners at $18.24 per limited partnership unit. Gateway had previously suspended losses reported by this Project Partnership in conformity with its policy to not record losses which reduce the investment below zero. As a result of the net increase in the investment from the sale transaction

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

Gateway was able to recognize $43,945 in suspended losses. Gateway's ending investment in this Project Partnership, after adjusting for the gain on sale, cash proceeds received and suspended losses, was $21,574, which is reported as a loss on disposition in the Combined Statements of Operations.

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	2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 4,075,629	$ 3,748,484	$ 3,483,867
Investment properties, net	27,082,558	28,314,923	29,526,496
Other assets	3,934	17,884	21,090
Total assets	$31,162,121	$32,081,291	$33,031,453
Liabilities and Partners' Equity:			
Current liabilities	$ 760,481	$ 733,479	$ 729,972
Long-term debt	34,688,448	34,867,631	35,038,427
Total liabilities	35,448,929	35,601,110	35,768,399
Partners' equity			
Limited Partner	(3,799,474)	(3,085,785)	(2,353,217)
General Partners	(487,334)	(434,034)	(383,729)
Total Partners' equity	(4,286,808)	(3,519,819)	(2,736,946)
Total liabilities and partners' equity	$31,162,121	$32,081,291	$33,031,453
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 6,536,265	$ 6,361,139	$ 5,978,366
Expenses:			
Operating expenses	3,184,179	3,026,245	2,948,945
Interest expense	2,666,928	2,684,574	2,478,366
Depreciation and amortization	1,367,028	1,357,379	1,361,813
Total expenses	7,218,135	7,068,198	6,789,124
Net loss	$ (681,870)	$ (707,059)	$ (810,758)
Other partners' share of net loss	$ (8,157)	$ (8,150)	$ (9,624)
Partnership's share of net loss	$ (673,713)	$ (698,909)	$ (801,134)
Suspended losses	608,477	550,411	591,184
Equity in Losses of Project Partnerships	$ (65,236)	$ (148,498)	$ (209,950)

As of December 31, 2004, the largest Project Partnership constituted 6.4% and 6.5%, and as of December 31, 2003 the largest Project Partnership constituted 6.5% and 6.5% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

TOTAL SERIES 2 – 6	DECEMBER 31, 2004	2003	2002
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	$ 13,992,018	$ 13,550,405	$ 13,064,256
Investment properties, net	98,534,838	104,208,137	109,233,894
Other assets	256,627	228,716	490,375
Total assets	$112,783,483	$117,987,258	$122,788,525
Liabilities and Partners' Equity:			
Current liabilities	$ 3,398,859	$ 3,390,520	$ 3,822,895
Long-term debt	136,430,803	137,755,258	137,907,409
Total liabilities	139,829,662	141,145,778	141,730,304
Partners' equity			
Limited Partner	(27,195,268)	(23,480,434)	(19,418,459)
General Partners	149,089	321,914	476,680
Total Partners' equity	(27,046,179)	(23,158,520)	(18,941,779)
Total liabilities and partners' equity	$112,783,483	$117,987,258	$122,788,525
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	$ 25,838,170	$ 25,117,060	$ 24,147,451
Gain on Sale	227,407	0	0
Total Income	26,065,577	25,117,060	24,147,451
Expenses:			
Operating expenses	13,037,740	12,642,524	11,990,466
Interest expense	11,009,416	10,937,224	10,435,971
Depreciation and amortization	5,502,606	5,528,583	5,513,265
Total expenses	29,549,762	29,108,331	27,939,702
Net loss	$ (3,484,185)	$ (3,991,271)	$ (3,792,251)
Other partners' share of net loss	$ (51,122)	$ (47,908)	$ (45,579)
Partnership's share of net loss	$ (3,433,063)	$ (3,943,363)	$ (3,746,672)
Suspended losses	3,558,213	3,638,776	3,256,444
Equity in Income (Losses) of Project Partnerships	$ 125,150	$ (304,587)	$ (490,228)

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	$ (5,354,226)	$ (271,966)
Series 3	(6,676,166)	(409,182)
Series 4	(5,435,023)	(441,205)
Series 5	(5,930,379)	(291,031)
Series 6	(3,799,474)	198,548

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	2005	2004	2003
Net Loss per Financial Statements	$ (97,520)	$ (92,200)	$ (85,230)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(797,850)	(856,310)	(796,760)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	1,376	8,988	964
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	53,428	12,850	35,197
Amortization Expense	696	696	(131)
Other Adjustments	(14,217)	(18,415)	(10,860)
Partnership loss for tax purposes as of December 31	$ (854,087)	$ (944,391)	$ (856,820)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 892	$ 892	$ 17,131

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 34,391	$(6,549,304)	$ 6,583,695
Other Assets	$ 359,915	$ 1,096,825	$ (736,910)
Liabilities	$ 576,689	$ 4,049	$ 572,640

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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	2005	2004	2003
Net Loss per Financial Statements	$ (77,647)	$ (77,243)	$ (82,729)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(752,598)	(762,553)	(622,341)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	2,140	18,639	426
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	67,931	17,077	25,116
Amortization Expense	129	63	1,120
Other Adjustments	(20,866)	(37,484)	(19,990)
Partnership loss for tax purposes as of December 31	$ (780,911)	$ (841,501)	$ (698,398)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 0	$ 941	$ 7,517

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 0	$(6,099,083)	$6,099,083
Other Assets	$ 329,653	$ 987,524	$ (657,871)
Liabilities	$ 479,749	$ 4,161	$ 475,588

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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	2005	2004	2003
Net Loss per Financial Statements	$ (102,967)	$ (98,159)	$ (160,313)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(907,174)	(825,899)	(827,686)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(971)	18,236	1,588
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	79,874	37,611	35,743
Amortization Expense	(256)	(802)	2,947
Other Adjustments	(14,332)	(40,257)	(15,207)
Partnership loss for tax purposes as of December 31	$ (945,826)	$ (909,270)	$ (962,928)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 1,484	$ 8,520	$ 20,620

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 0	$ (7,213,834)	$ 7,213,834
Other Assets	$ 445,208	$ 1,282,235	$ (837,027)
Liabilities	$ 624,704	$ 6,719	$ 617,985

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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	2005	2004	2003
Net Income (Loss) per Financial Statements	$ 15,153	$ (265,039)	$ (261,993)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(948,134)	(996,157)	(886,046)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(7,065)	20,717	4,599
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	(58,836)	19,420	41,264
Amortization Expense	4,380	4,576	5,110
Other Adjustments	(46,206)	(34,151)	(21,532)
Partnership loss for tax purposes as of December 31	$(1,040,708)	$(1,250,634)	$(1,118,598)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 20,278	$ 75,409	$ 471,321

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 202,405	$(7,218,248)	$ 7,420,653
Other Assets	$ 570,926	$ 1,607,629	$(1,036,703)
Liabilities	$ 649,471	$ 6,156	$ 643,315

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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	2005	2004	2003
Net Loss per Financial Statements	$ (198,709)	$ (294,767)	$ (334,594)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(849,870)	(788,055)	(805,019)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	3,894	12,119	5,776
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	111,482	34,124	53,540
Amortization Expense	8,034	8,478	6,552
Other Adjustments	(36,754)	(28,421)	(17,654)
Partnership loss for tax purposes as of December 31	$ 961,923	$(1,056,522)	$(1,091,399)

	December 31, 2004	December 31, 2003	December 31, 2002
Federal Low Income Housing Tax Credits (Unaudited)	$ 38,926	$ 154,714	$ 1,311,025

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$ 781,147	$(5,862,980)	$ 6,644,127
Other Assets	$ 592,890	$ 1,780,281	$(1,187,391)
Liabilities	$ 805,543	$ 6,824	$ 798,719

NOTE 6 - TAXABLE INCOME (LOSS)(Continued):

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	2005	2004	2003
Net Loss per Financial Statements	$ (461,690)	$ (827,408)	$ (924,859)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(4,255,626)	(4,228,974)	(3,937,852)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(626)	78,699	13,353
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	253,879	121,082	190,860
Amortization Expense	12,983	13,011	15,598
Other Adjustments	(132,375)	(158,728)	(85,243)
Partnership loss for tax purposes as of December 31	$(4,583,455)	$(5,002,318)	$(4,728,143)

The difference in the total value of the Partnership's Investment in Project Partnerships is approximately $6,583,695 higher for Series 2, $6,099,083 higher for Series 3, $7,213,834 higher for Series 4, $7,420,653 higher for Series 5 and $6,644,127 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, 2005 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	$1,017,943	$(32,943,449)	$33,961,392
Other Assets	$2,298,592	$ 6,754,494	$(4,455,902)
Liabilities	$3,136,156	$ 27,909	$ 3,108,247

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

Series 2

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 3,945	$ 0	$ 3,702	$ 6,291
Net Income (Loss)	$ (23,076)	$ (41,293)	$ (28,733)	$ (4,418)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (3.72)	$ (6.66)	$ (4.64)	$ (.71)

Series 3

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 9,002	$ 0	$ 5,380	$ 4,399
Net Income (Loss)	$ (12,843)	$ (27,395)	$ (17,660)	$ (19,749)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (2.33)	$ (4.97)	$ (3.21)	$ (3.58)

Series 4

Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 4,944	$ 5,693	$ 1,884	$ 3,660
Net Income (Loss)	$ (22,017)	$ (28,145)	$ (26,708)	$ (26,097)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (3.15)	$ (4.03)	$ (3.82)	$ (3.74)

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

Series 5 Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 7,658	$ 8,902	$ 2,172	$ 8,931
Net Income (Loss)	$ (34,298)	$ (39,929)	$ (37,000)	$ 126,380
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (3.94)	$ (4.59)	$ (4.25)	$ 6.07

Series 6 Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 7,557	$ 9,396	$ 10,174	$ 4,912
Net Income (Loss)	$ (49,952)	$ (46,487)	$ (48,996)	$ (53,274)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (4.89)	$ (4.55)	$ (4.81)	$ (5.22)

Series 2 - 6 Year 2005	Quarter 1 6/30/2004	Quarter 2 9/30/2004	Quarter 3 12/31/2004	Quarter 4 3/31/2005
Total Revenues	$ 33,106	$ 23,991	$ 23,312	$ 28,493
Net Income (Loss)	$(142,186)	$(183,249)	$(159,097)	$ 22,842

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

Series 2

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 0	$ 1,957	$ 3,793	$ 7,070
Net Income (Loss)	$ (38,406)	$ (28,418)	$ (24,264)	$ (1,112)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (6.20)	$ (4.59)	$ (3.91)	$ (.18)

Series 3

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 6,205	$ 10,112	$ 0	$ 6,484
Net Income (Loss)	$ (21,261)	$ (14,615)	$ (23,305)	$ (18,062)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (3.86)	$ (2.65)	$ (4.23)	$ (3.28)

Series 4

Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 6,563	$ 19,578	$ 0	$ 1,819
Net Income (Loss)	$ (30,836)	$ (13,103)	$ (29,743)	$ (24,477)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (4.41)	$ (1.88)	$ (4.26)	$ (3.50)

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

Series 5 Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 12,492	$ 0	$ 750	$ 3,739
Net Income (Loss)	$ (46,203)	$ (78,011)	$ (71,278)	$ (69,547)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (5.31)	$ (8.96)	$ (8.19)	$ (7.99)

Series 6 Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 3,514	$ 6,988	$ 1,000	$ 9,627
Net Income (Loss)	$(107,395)	$ (45,853)	$(116,673)	$ (24,846)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	$ (10.52)	$ (4.49)	$ (11.43)	$ (2.44)

Series 2-6 Year 2004	Quarter 1 6/30/2003	Quarter 2 9/30/2003	Quarter 3 12/31/2003	Quarter 4 3/31/2004
Total Revenues	$ 28,774	$ 38,635	$ 5,543	$ 28,739
Net Income (Loss)	$(244,101)	$(180,000)	$(265,263)	$(138,044)

Hill, Barth & King LLC
5121 Zuck Road
Erie, PA 16506
PHONE: 814-836-9968
FAX: 814-836-9989

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, 2004 and 2003 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, 2004 and 2003 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, 2005 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 grant agreements. 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, 2005

Hill, Barth & King LLC
5121 Zuck Road
Erie, PA 16506
PHONE: 814-836-9968
FAX: 814-836-9989

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, 2004 and 2003 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, 2004 and 2003 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, 2005 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 grant agreements. 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, 2005

Hill, Barth & King LLC
5121 Zuck Road
Erie, PA 16506
PHONE: 814-836-9968
FAX: 814-836-9989

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, 2004 and 2003 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 Wynnwood Common Associates Limited Partnership as of December 31, 2004 and 2003 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, 2004 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 grant agreements. 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, 2005

Hill, Barth & King LLC
5121 Zuck Road
Erie, PA 16506
PHONE: 814-836-9968
FAX: 814-836-9989

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, 2004 and 2003 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 Stony Creek Commons Limited Partnership as of December 31, 2004 and 2003 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, 2005 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 grant agreements. 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, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Richland Elderly Housing, Ltd.'s internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Pearson Elderly Housing, Ltd.'s internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Lake Park Apartments, Ltd.'s internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Lakeland Elderly Housing, Ltd.'s internal control structure and report dated January 21, 2005 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 21, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
Woodland Terrace Apartments, LTD, LLLP

We have audited the accompanying balance sheets of WOODLAND TERRACE APARTMENTS, LTD, LLLP (USDA Rural Development Case No. 10-017-581854412), a limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WOODLAND TERRACE APARTMENTS, LTD, LLLP as of December 31, 2004 and 2003, and the results of its operations, its changes in partner's equity (deficit), and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2005, on our consideration of WOODLAND TERRACE APARTMENTS, LTD, LLLP's internal control and our report dated February 28, 2005, 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
February 28, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
Manchester Housing, LTD, LLLP

We have audited the accompanying balance sheets of MANCHESTER HOUSING, LTD, LLLP (USDA Rural Development Case No. 10-099-581845215), a limited partnership, as of December 31, 2004 and 2003, 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, and the Audit Program of the Rural Development Services Office of the U.S. Department of Agriculture, formerly known as the Farmers Home Administration. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MANCHESTER HOUSING, LTD, LLLP as of December 31, 2004 and 2003, 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 our report dated February 28, 2005, on our consideration of MANCHESTER HOUSING, LTD. LLLP's internal control and our report dated February 28, 2005, 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
February 28, 2005

M. Paul Nichols, Jr., CPA, P.C.
2101 North Patterson Street
Valdosta, GA 31602
PHONE: 229-671-1255
FAX: 229-244-2433

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, 2004 and 2003, 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, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued reports dated February 12, 2005, 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 12, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners of
Crisp Properties, LLLP

We have audited the accompanying balance sheets of CRISP PROPERTIES, LLLP (USDA Rural Development Case No. 10-017-581854412), a limited partnership, as of December 31, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CRISP PROPERTIES, LLLP as of December 31, 2004 and 2003, 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 our report dated February 28, 2005, on our consideration of CRISP PROPERTIES, LLLP's internal control and our report dated February 28, 2005, 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

February 28, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners 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, 2004 and 2003, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II as of December 31, 2004 and 2003, and the results of its operations, its changes in partner's equity (deficit), and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2005, on our consideration of BLACKSHEAR APARTMENTS, L.L.L.P. PHASE II'S internal control and our report dated February 28, 2005, 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

February 28, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of Crawford Rental Housing, L.P.'s internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Shellman Housing L.P.'s internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of the Greensboro Properties, L.P., Phase II's internal control structure and a report dated January 21, 2005 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 21, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Rd. - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
FAX: 229-245-1669

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, 2004 and 2003, 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, 2004 and 2003, 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 21, 2005 on our consideration of Dawson Elderly, L.P.'s internal control structure and a report dated January 21, 2005 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 21, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
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, 2004 and 2003, 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, 2004 and 2003, 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 18, 2005, on our consideration of PIEDMONT DEVELOPMENT COMPANY OF LAMAR COUNTY, LTD.'s internal control and a report dated February 18, 2005, on its compliance with laws and regulations applicable to the financial statements.

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

February 18, 2005

Donald W. Causey & Associates, P.C.
516 Walnut Street - P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

INDEPENDENT AUDITORS' REPORT

To the Partners
Sylacauga Heritage Apartments Ltd.
Sylacauga, Alabama

We have audited the accompanying balance sheets of Sylacauga Heritage Apartments, Ltd., a limited partnership, RHS Project No.: 01-061-631025601 as of December 31, 2004 and 2003, 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, 2004 and 2003, 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, 2004 and 2003, 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, 2005 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjuction with this report in cosidering the results or our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 10, 2005

Cameron, Hines & Hartt
104 Regency Place - P.O. Box 2474
West Monroe, LA 71294-2474
PHONE: 318-323-1717
FAX: 318-322-5121

INDEPENDENT AUDITORS' REPORT

To the Partners
Logansport Seniors Apartments

We have audited the accompanying balance sheets of Logansport Seniors Apartments (the Partnership) as of December 31, 2004 and 2003, 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. 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 and the Standards for Financial and Compliance 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 Logansport Seniors Apartments as of December 31, 2004 and 2003, and the results of its operations and its 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 report dated January 31, 2005, on our consideration of Logansport Seniors Apartment's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financia reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were made for the purpose of forming an opnion on the basic financial statements taken as a whole. The accompanying schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Logansport Seniors Apartments. 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/ Cameron, Hines & Hartt,(APAC)
Certified Public Accountants

West Montroe, Louisiana
January 31, 2005

Cameron, Hines & Hartt
104 Regency Place - P.O. Box 2474
West Monroe, LA 71294-2474
PHONE: 318-323-1717
FAX: 318-322-5121

INDEPENDENT AUDITORS' REPORT

To the Partners
Tarpon Heights Apartments

We have audited the accompanying balance sheets of Tarpon Heights Apartments (the Partnership) as of December 31, 2004 and 2003, 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. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the Standards for Financial and Compliance 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 Tarpon Heights Apartments as of December 31, 2004 and 2003, 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 28, 2005, on our consideration of Tarpon Heights Apartments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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 accompanying schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Tarpon Heights Apartments. 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/ Cameron, Hines & Hartt (APAC)
Certified Public Accountants

West Monroe, Louisiana
February 28, 2005

Bond & Tousignant, LLC
1500 Lamy Lane - P.O. Box 14065
Monroe, LA 71207-4065
PHONE: 318-323-0717
FAX: 318-323-0719

INDEPENDENT AUDITORS' REPORT

To the Partners
THE OAKS APARTMENTS, ALPIC

We have audited the accompanying balance sheets of THE OAKS APARTMENTS, ALPIC, RHS Project No. 22-002-721144868 as of December 31, 2004 and 2003, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THE OAKS APARTMENTS, ALPIC as of December 31, 2004 and 2003, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2005 on our consideration of THE OAKS APARTMENTS, ALPIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

/s/ Bond & Tousignant, LLC
Certified Public Accountants

Monroe, Louisiana
February 21, 2005

Cameron, Hines & Hartt
104 Regency Place - P.O. Box 2474
West Monroe, LA 71294-2474
PHONE: 318-323-1717
FAX: 318-322-5121

INDEPENDENT AUDITORS' REPORT

To the Partners
Sonora Seniors Apartments

We have audited the accompanying balance sheets of Sonora Seniors Apartments (the Partnership) as of December 31, 2004 and 2003, 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. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the Standards for Financial and Compliance 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 Sonora Seniors Apartments as of December 31, 2004 and 2003, 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 28, 2005, on our consideration of Sonora Seniors Apartment's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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 accompanying schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Sonora Seniors Apartments. 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/ Cameron, Hines & Hartt (APAC)
Certified Public Accountants

West Monroe, Louisiana
February 28, 2005

Bond & Tousignant, LLC
1500 Lamy Lane, P.O. Box 14065
Monroe, LA 71207-4065
PHONE: 318-323-0717
FAX: 318-323-0719

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, 2004 and 2003, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 BRACKETTVILLE SENIORS APARTMENTS, LTD as of December 31, 2004 and 2003, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2005, on our consideration of BRACKETTVILLE SENIORS APARTMENTS, LTD's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

/s/ Bond & Tousignant, LLC
Certified Public Accountants

Monroe, Louisiana
March 18, 2005

Cameron, Hines & Hartt (APAC)
104 Regency Place, P.O. Box 2474
West Monroe, LA 71294-2474
PHONE: 318-323-1717
FAX: 318-322-5121

INDEPENDENT AUDITORS' REPORT

To the Partners
Timpson Seniors Apartments

We have audited the accompanying balance sheets of Timpson Seniors Apartments (the Partnership)as of December 31, 2004 and 2003, 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. 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 and the Standards for Financial and Compliance 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 Timpson Seniors Apartments as of December 31, 2004 and 2003, 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 28, 2005, on our consideration of Timpson Seniors Apartments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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 accompanying schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Timpson Seniors Apartments. 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/ Cameron, Hines & Hartt
Certified Public Accountants

West Monroe, Louisiana
February 28, 2005

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
Charleston Properties, A Limited Partnership
D/B/A SavannahPark of Charleston II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Charleston Properties, A Limited Partnership, D/B/A SavannahPark of Charleston II as of December 31, 2004 and 2003, 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 SavannahPark of Charleston II as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

February 9, 2005

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
Sallisaw Properties II, A Limited Partnership
D/B/A GardenWalk of Sallisaw II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Sallisaw Properties II, A Limited Partnership, D/B/A GardenWalk of Sallisaw II as of December 31, 2004 and 2003, 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 GardenWalk of Sallisaw II as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing and internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

February 9, 2005

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
Pocola Properties, A Limited Partnership
D/B/A GardenWalk of Pocola
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Pocola Properties, A Limited Partnership, D/B/A GardenWalk of Pocola as of December 31, 2004 and 2003, 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 GardenWalk of Pocola as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Poteau Properties II, A Limited Partnership
D/B/A GardenWalk on Lacey Lane
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Poteau Properties II, A Limited Partnership, D/B/A GardenWalk on Lacey Lane as of December 31, 2004 and 2003, 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 GardenWalk on Lacey Lane as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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

We have audited the accompanying balance sheets of Nowata Properties, A Limited Partnership, D/B/A Cross Creek II as of December 31, 2004 and 2003, 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 as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Sallisaw Properties, A Limited Partnership
D/B/A GardenWalk of Sallisaw
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Sallisaw Properties, A Limited Partnership, D/B/A GardenWalk of Sallisaw as of December 31, 2004 and 2003, 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 GardenWalk of Sallisaw as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Roland Properties II, A Limited Partnership
D/B/A GardenWalk of Roland II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Roland Properties II, A Limited Partnership, D/B/A GardenWalk of Roland II as of December 31, 2004 and 2003, 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 GardenWalk of Roland II as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Stilwell Properties, A Limited Partnership
D/B/A GardenWalk of Stilwell
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Stilwell Properties, A Limited Partnership, D/B/A GardenWalk of Stilwell as of December 31, 2004 and 2003, 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 GardenWalk of Stilwell as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Stilwell Properties II, A Limited Partnership
D/B/A GardenWalk of Stilwell II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Stilwell II Properties, A Limited Partnership, D/B/A GardenWalk of Stilwell II as of December 31, 2004 and 2003, 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 II Properties, A Limited Partnership, D/B/A GardenWalk of Stilwell II as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Westville Properties, A Limited Partnership
D/B/A GardenWalk of Westville
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Westville Properties, A Limited Partnership, D/B/A GardenWalk of Westville as of December 31, 2004 and 2003, 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 GardenWalk as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Mill Creek Properties V, A Limited Partnership
D/B/A SavannahPark of Grove
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Mill Creek Properties V, A Limited Partnership, D/B/A SavannahPark of Grove as of December 31, 2004 and 2003, 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 SavannahPark of Grove as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

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
Parsons Properties, A Limited Partnership
D/B/A SavannahPark of Parsons
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Parsons Properties, A Limited Partnership, D/B/A SavannahPark of Parsons as of December 31, 2004 and 2003, 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 SavannahPark of Parsons as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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 9, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Road - P.O. Box 2241
Valdosta, GA 31604-2241
PHONE: 229-245-6040
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, 2004 and 2003, 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, 2004 and 2003, 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 17, 2005 on our consideration of Inverness Club, Ltd., L.P.'s internal control structure and a report dated January 17, 2005 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 17, 2005

Henderson & Godbee, P.C.
3488 N. Valdosta Road - P.O. Box 2241
Valdosta, GA 31604-2241
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, 2004 and 2003, and the related statements of operations, changes in partners' (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carrollton Club, Ltd., L.P. as of December 31, 2004 and 2003, 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 25, 2005 on our consideration of Carrollton Club, Ltd., L.P.'s internal control structure and a report dated January 25, 2005 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 audits.

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

January 25, 2005

Grana & Teibel, CPAs, P.C.
300 Corporate Pkwy., Suite 116 N.
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
29 Liberty Street, Suite 2
Batavia, New York 14020-3294

We have audited the accompanying balance sheets of Lewiston Limited Partnership as of December 31, 2004 and 2003, 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, 2004 and 2003, 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 28, 2005, on our consideration of Lewiston Limited Partnerships internal control structure and a report dated January 28, 2005, on its compliance with laws and regulations.

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

January 28, 2005

Miller & Rose, P.A.
1309 E. Race Avenue
Searcy, AR 72143
PHONE: 501-268-8356
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, 2004 and 2003, 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, 2004 and 2003, 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, 2005 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

February 18, 2005

Leavitt, Christensen & Co., PLLC
13965 W. Chinden Blvd., Suite 200 C
Boise, ID 83713
PHONE: 208-287-5353
FAX: 208-287-5358

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, 2004 and 2003, 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, 2004 and 2003, 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 18, 2005 on our consideration of Haines Associates Limited Partnership's internal control and on its compliance with laws and regulations. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The partnership 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., PLLC
Certified Public Accountants
January 18, 2005

Bernard Robinson & Company, LLP
109 Muirs Chapel Rd. - P.O. Box 19608
Greensboro, NC 27419
PHONE: 336-294-4494
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, 2004 and 2003, 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 Woodcrest Associates of South Boston, VA, Ltd. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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, LLP
Certified Public Accountants

January 31, 2005

Brown, Edwards & Co., LLP
1969 Lee Highway – P.O. Box 16999
Bristol, VA 24209-6999
PHONE: 276-466-5248
FAX: 276-466-9241

INDEPENDENT AUDITORS' REPORT

To the Partners
Norton Green Limited Partnership

We have audited the accompanying balance sheet of Norton Green Limited Partnership as of December 31, 2004, and the related statements of operations, 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. The financial statements of Norton Green Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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 Norton Green Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, 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 *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Norton Green Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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/ Brown, Edwards & Co., LLP
Certified Public Accountants

February 15, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Norton Green Limited Partnership

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of 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, 2004

Brown, Edwards & Co., LLP
1969 Lee Highway – P.O. Box 16999
Bristol, VA 24209-6999
PHONE: 276-466-5248
FAX: 276-466-9241

INDEPENDENT AUDITORS' REPORT

To the Partners
Jonesville Manor Limited Partnership

We have audited the accompanying balance sheet of Jonesville Manor Limited Partnership as of December 31, 2004, and the related statements of operations, 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. The financial statements of Jonesville Manor Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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 Jonesville Manor Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, 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 *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Jonesville Manor Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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/ Brown, Edwards & Co., LLP
Certified Public Accountants

February 15, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Jonesville Manor Limited Partnership

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of 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, 2004

Brown, Edwards & Co., LLP
1969 Lee Highway – P.O. Box 16999
Bristol, VA 24209-6999
PHONE: 276-466-5248
FAX: 276-466-9241

INDEPENDENT AUDITORS' REPORT

To the Partners
Blacksburg Terrace Limited Partnership

We have audited the accompanying balance sheet of Blacksburg Terrace Limited Partnership as of December 31, 2004, and the related statements of operations, 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. The financial statements of Blacksburg Terrace Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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 Blacksburg Terrace Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, 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 *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Blacksburg Terrace Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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/ Brown, Edwards & Co., LLP
Certified Public Accountants

February 15, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Blacksburg Terrace Limited Partnership

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of 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, 2004

Brown, Edwards & Co., LLP
1969 Lee Highway – P.O. Box 16999
Bristol, VA 24209-6999
PHONE: 276-466-5248
FAX: 276-466-9241

INDEPENDENT AUDITORS' REPORT

To the Partners
Newport Village Limited Partnership

We have audited the accompanying balance sheet of Newport Village Limited Partnership as of December 31, 2004, and the related statements of operations, 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. The financial statements of Newport Village Limited Partnership as of December 31, 2003, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those statements in their report dated February 15, 2004.

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 Newport Village Limited Partnership as of December 31, 2004, and the results of its operations, changes in partners' deficit, 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 *Government Auditing Standards*, we have also issued our report dated February 15, 2005 on our consideration of Newport Village Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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/ Brown, Edwards & Co., LLP
Certified Public Accountants

February 15, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Newport Village Limited Partnership

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2004 on my consideration of 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, 2004

Gubler & Company, P.C.
1234 W. South Jordan Parkway, #C
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, 2004 and 2003 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 Project'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 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 Smithfield Greenbriar Limited Partnership, as of December 31, 2004 and 2003 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 February 8, 2005 on our consideration of Smithfield Greenbriar Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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 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
February 8, 2005

Simmons and Clubb
410 S. Orchard, Suite 156
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, 2004 and 2003, and the related statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and the USDA, Rural Housing Service Audit Program issued in December 1989. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain Crest Limited Partnership as of December 31, 2004 and 2003, and the results of its operations, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2005, on our consideration of Mountain Crest Limited Partnership's internal controls and compliance with laws and regulations. This report is 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 10, 2005

Cummins & Coffman, CPA’s, P.A.
3706 S. Topeka Blvd., Suite 302
Topeka, KS 66609-1246
PHONE: 785-267-2030
FAX: 785-267-2254

INDEPENDENT AUDITORS’ REPORT

To the Partners
Eudora Senior Housing, L.P.
D/B/A Pinecrest Apartments II

We have audited the accompanying balance sheet of Eudora Senior Housing, L.P., RHS Project No. 18-023-481065040, D/B/A Pinecrest Apartments II as of December 31, 2004 and 2003, 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 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 statements of 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 Eudora Senior Housing, L.P., RHS Project no. 18-023-481065040, D/B/A Pinecrest Apartments II as of December 31, 2004 and 2003, and the results of its operations, and its cash flows for the years 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 11, 2005, on our consideration of Eudora Senior Housing, L.P.’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Cummins & Coffman, CPA’s, P.A.
Certified Public Accountants

Topeka, Kansas
February 11, 2005

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
Springhill Housing, A Limited Partnership
D/B/A Springhill Housing II
Fort Smith, Arkansas

We have audited the accompanying balance sheets of Springhill Housing, A Limited Partnership, D/B/A Springhill Housing II as of December 31, 2004 and 2003, 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 Springhill Housing, A Limited Partnership, D/B/A Springhill Housing II as of December 31, 2004 and 2003, 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 9, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

February 9, 2005

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, 2004 and 2003, 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, 2004 and 2003, 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 25, 2005 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 12 and 13 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 25, 2005

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
Courtyard, Ltd.
Huron, South Dakota

We have audited the accompanying balance sheets of **Courtyard, Ltd.** (a limited partnership) as of December 31, 2004 and 2003, 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, 2004 and 2003, 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 24, 2005, 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 24, 2005

Eide Bailly LLP
200 East 10^{th} 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
Sunrise, Ltd.
Yankton, South Dakota

We have audited the accompanying balance sheets of **Sunrise Ltd.** (a limited partnership) as of December 31, 2004 and 2003, 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, 2004 and 2003, 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 20, 2005 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 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 20, 2005

Johnson, Hickey & Murchison, P.C.
651 East Fourth Street, Suite 200
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, 2004 and 2003, 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, 2004 and 2003, 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 26, 2005, 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 26, 2005

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, 2004 and 2003 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. 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 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 Hazlehurst Manor, L.P. as of December 31, 2004 and 2003 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 8, 2005 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, including separate reports on compliance with laws and regulations and on internal controls, 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 audits 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 7-03) 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 8, 2005

Donald W. Causey & Associates, P.C.
516 Walnut Street - P.O. Box 775
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, 2004 and 2003, 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, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11 and 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, 2004 and 2003, 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 27, 2005 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 27, 2005

Donald W. Causey & Associates, P.C.
16 Walnut Street - P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
FAX: 256-543-9800

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, 2004 and 2003, 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, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11 and 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, 2004 and 2003, 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, 2005 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Gadsden, Alabama
February 24, 2005

Donald W. Causey & Associates, P.C.
516 Walnut Street - P.O. Box 775
Gadsden, AL 35902
PHONE: 256-543-3707
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, 2004 and 2003, 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, 2004 and 2003, 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, 2004 and 2003, 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, 2005 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 24, 2005

Donald W. Causey & Associates, P.C.
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, 2004 and 2003, 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 Meadowcrest Apartments, Ltd. RHS Project No.: 01-021-631047203 as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 11 and 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, 2004 and 2003, 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 27, 2005 on our consideration of Meadowcrest Apartments, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

/s/ Donald W. Causey & Associates, P.C.
Certified Public Accountants
Gadsden, Alabama
February 27, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Seneca Apartments, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seneca Apartments, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Carthage Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carthage Seniors, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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. 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Southwest City Apartments, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest City Apartments, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Pineville Apartments, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 Pineville Apartments, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Monett Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 Monett Seniors, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Columbus Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbus Seniors, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 13-14 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 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 28, 2005

Turk & Giles, CPAs, P.C.
2026 Connecticut - P.O. Box 3766
Joplin, MO 64803
PHONE: 417-623-8666
FAX: 417-623-4075

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of Arma Seniors, L.P. (a limited partnership) as of December 31, 2004 and 2003, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arma Seniors, L.P. as of December 31, 2004 and 2003, 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 28, 2005 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 13-14 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 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 28 2005

Chester M. Kearney, CPA
12 Dyer Street
Presque Isle, ME 04769-1550
PHONE: 207-764-3171
FAX: 207-764-6362

INDEPENDENT AUDITORS' REPORT

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

To the Partners

We have audited the accompanying balance sheets of Rural Development Group, d/b/a Ashland Estates, (a limited partnership) as of December 31, 2004 and 2003, 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, 2004 and 2003, 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 February 1, 2005 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
February 1, 2005

Strauss and Adams, P.A.
1310 Lady Street, 9th Floor
Columbia, SC 29201
PHONE: 803-779-7472
FAX: 803-252-6171

INDEPENDENT AUDITORS' REPORT

To the Partners
Scarlett Oaks Limited Partnership
Lexington, South Carolina

We have audited the accompanying balance sheets of Scarlett Oaks Limited Partnership as of December 31, 2004, and 2003, 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 our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scarlett Oaks Limited Partnership as of December 31, 2004, and 2003, 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.

In accordance with Government Auditing Standards, we have also issued a report dated February 18, 2005, on our consideration of Scarlett Oaks Limited Partnership's internal control and a report dated February 18, 2005 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/ Strauss and Adams, P.A.
Certified Public Accountant

February 18, 2005

David G. Pelliccione, C.P.A., P.C.
329 Commercial Drive, Suite 120
Savannah, GA 31406
PHONE: 912-354-2334
FAX: 912-354-2443

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, 2004 and 2003 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 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, 2004 and 2003, 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 8, 2005, 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 8, 2005

K.B. Parrish & Co. LLP
6840 Eagle Highlands Way
Indianapolis, IN 46254-2693
PHONE: 317-347-5200
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, 2004 and 2003, 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, 2004 and 2003, 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 15, 2005, on our consideration of the partnership's internal control over financial reporting and our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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 15, 2005

Scheiner, Mister & Grandizio, P.A.
1122 Kenilworth Drive, Suite 413
Towson, MD 21204
PHONE: 410-494-0885
FAX: 410-321-9024

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, 2004 and 2003, 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 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 Frazer Elderly Limited Partnership as of December 31, 2004 and 2003, and the results of its operations, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated January 18, 2005 on our consideration of the Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering results of our audits.

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 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 18, 2005

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, 2004 and 2003, 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, 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, 2004 and 2003, 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 26, 2005, 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 26, 2005

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. 41-012-341561718, as of December 31, 2004 and 2003, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brubaker Square Limited Partnership, DBA Brubaker Square Apartments, Case No. 41-012-341561718, at December 31, 2004 and 2003, 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 26, 2005, 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 26, 2005

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, 2004 and 2003, 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, 2004 and 2003, 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 26, 2005, 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 26, 2005

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, 2004 and 2003, and the related statements of income, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Logan Place Limited Partnership, DBA Logan Place Apartments, Case No. 41-037-341643639, at December 31, 2004 and 2003, 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 26, 2005, 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 26, 2005

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, 2004 and 2003, 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, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2005 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 28, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Elkhart Apartments Limited

We have audited the accompanying balance sheets of Elkhart Apartments, Ltd. (a Texas Limited Partnership) Project No: 49-001-752291250-01-7 as of December 31, 2004 and 2003, and the related statements of partners' equity (deficit), operations, and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our 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 Elkhart Apartments, Ltd. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 4, 2005 on our consideration of Elkhart Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and contracts. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

March 4, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
South Timber Ridge Apartments, Ltd.

We have audited the accompanying balance sheet of South Timber Ridge Apartments, Ltd. (a Texas Limited Partnership) Project No: 50-007-752224177-01-0 as of December 31, 2004 and 2003, and the related statements of partners' equity (deficit), operations, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *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 South Timber Ridge Apartments, Ltd. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2005 on our consideration of South Timber Ridge Apartments, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and contracts. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

March 1, 2005

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

INDEPENDENT AUDITORS' REPORT

To the Partners
Heritage Drive South, Ltd.

We have audited the accompanying balance sheets of Heritage Drive South, Ltd. (a Texas Limited Partnership) Project No: 49-037-752220298-01-4 as of December 31, 2004 and 2003, and the related statements of partners' equity (deficit), operations, and cash flows for the year then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our 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 Heritage Drive South, Ltd. as of December 31, 2004 and 2003, and the results of its operations, changes in partners' equity (deficit) and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2005 on our consideration of Heritage Drive South, Ltd.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and contracts. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

March 3, 2005

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., complex no. 20-067-621424606, as of December 31, 2004 and 2003 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 Goodwater Falls, Ltd. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2005 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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 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 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/ Miller, Mayer, Sullivan & Stevens, LLP
Certified Public Accountants
Lexington, Kentucky
February 3, 2005

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

None.

Item 9a. Controls and Procedures

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

PART III

Item 10. Directors and Executive Officers of Gateway

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

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

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

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

Raymond James Partners, Inc. -

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

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

Item 11. Executive Compensation

Gateway has no directors or officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Neither of the General Partners nor their directors and officers own any units of the outstanding securities of Gateway as of March 31, 2005.

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

Item 13. Certain Relationships and Related Transactions

Gateway has no officers or directors. However, various kinds of compensation and fees are payable to the General Partners and their affiliates during the organization and operations of Gateway. Additionally, the General Partners will receive distributions from Gateway if there is cash available for distribution or residual proceeds as defined in the Partnership Agreement. The amounts and kinds of compensation and fees are described on pages 15 to 18 of the Prospectus under the caption "Management Compensation", which is incorporated herein by reference.

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

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

For the years ended March 31, 2005, 2004 and 2003 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.

	2005	2004	2003
Series 2	$ 67,609	$ 67,822	$ 68,021
Series 3	62,717	63,022	62,667
Series 4	77,205	77,448	77,271
Series 5	92,722	95,180	95,480
Series 6	104,509	104,953	105,376
Total	$ 404,762	$ 408,425	$ 408,815

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.

	2005	2004	2003
Series 2	$ 32,074	$ 32,065	$ 18,483
Series 3	33,531	33,523	19,323
Series 4	42,279	42,266	24,365
Series 5	52,484	52,470	30,245
Series 6	55,400	55,384	31,926
Total	$ 215,768	$ 215,708	$ 124,342

Item 14. Principal Accounting Fees & Services

The aggregate fees billed by the Partnership’s principal accounting firm, Spence, Marston, Bunch, Morris and Co., for professional services rendered for the audit of the annual financial statements and review of financial statements included in the Partnerships quarterly reports on Form 10-Q for the years ended March 31, 2005 and 2004 were $24,925 and $24,925, respectively.

Tax – During fiscal 2005 and 2004, Spence, Marston, Bunch, Morris & Co. was engaged to prepare the Partnership’s federal tax return, for which they billed $6,500 for each year.

Other Fees – The Company’s Audit Committee Charter requires that the Committee approve the engagement of the principal auditing firm prior to the rendering of any audit or non-audit services. During fiscal 2005, 100% of the audit related and other fees and 100% of the tax fees were pre-approved by the Audit Committee.

<u>PART IV</u>

Item 15. <u>Exhibits, Financial Statement Schedules and Reports on Form 8-K</u>

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
5.10	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, 2004

SERIES 2
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Claxton Elderly	Claxton, GA	24	$ 648,178
Deerfield II	Douglas, GA	24	691,056
Hartwell Family	Hartwell, GA	24	694,461
Cherrytree Apts.	Albion, PA	33	1,181,613
Springwood Apts.	Westfield, NY	32	1,233,203
Lakeshore Apts.	Tuskegee, AL	34	1,037,765
Lewiston	Lewiston, NY	25	984,939
Charleston	Charleston, AR	32	830,050
Sallisaw II	Sallisaw, OK	47	1,178,993
Pocola	Pocola, OK	36	972,366
Inverness Club	Inverness, FL	72	2,943,814
Pearson Elderly	Pearson, GA	25	613,963
Richland Elderly	Richland, GA	33	854,274
Lake Park	Lake Park, GA	48	1,463,544
Woodland Terrace	Waynesboro, GA	30	874,224
Mt. Vernon Elderly	Mt. Vernon, GA	21	565,225
Lakeland Elderly	Lakeland, GA	29	767,719
Prairie Apartments	Eagle Butte, SD	21	961,646
Sylacauga Heritage	Sylacauga, AL	44	1,364,864
Manchester Housing	Manchester, GA	49	1,434,215
Durango C.W.W.	Durango, CO	24	1,020,362
Columbus Sr.	Columbus, KS	16	430,048
			$ 22,746,522

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, 2004

SERIES 2
Apartment Properties

	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Claxton Elderly	$ 33,400	$ 766,138	$ 0
Deerfield II		820,962	0
Hartwell Family	33,600	836,998	0
Cherrytree Apts.	22,700	1,376,297	19,769
Springwood Apts.	62,000	1,451,283	91,227
Lakeshore Apts.	21,500	1,238,749	26,540
Lewiston	28,600	1,178,185	17,350
Charleston	38,400	1,060,098	0
Sallisaw II	16,000	1,480,089	0
Pocola	37,500	1,223,370	0
Inverness Club	22,500	3,111,565	179,759
Pearson Elderly	205,500	767,590	(1,130)
Richland Elderly	15,000	1,027,512	(1,141)
Lake Park	31,500	1,710,725	(4,183)
Woodland Terrace	88,000	1,047,107	(1,925)
Mt. Vernon Elderly	36,400	680,437	(1,252)
Lakeland Elderly	21,750	930,574	(2,759)
Prairie Apartments	28,000	1,150,214	103,927
Sylacauga Heritage	66,500	1,648,081	68,356
Manchester Housing	66,080	1,746,076	(462)
Durango C.W.W.	36,000	1,123,454	74,187
Columbus Sr.	140,250	444,257	24,259
	64,373		
	$1,115,553	$26,819,761	$ 592,522

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, 2004

SERIES 2

Apartment Properties	Gross Amount At Which Carried At December 31, 2004		
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	1,539,993	1,564,010
Lakeshore Apts.	28,600	1,265,289	1,293,889
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	1,045,182	1,081,582
Mt. Vernon Elderly	21,750	679,185	700,935
Lakeland Elderly	28,000	927,815	955,815
Prairie Apartments	88,477	1,232,164	1,320,641
Sylacauga Heritage	69,475	1,713,042	1,782,517
Manchester Housing	36,000	1,745,614	1,781,614
Durango C.W.W.	140,250	1,197,641	1,337,891
Columbus Sr.	69,607	463,282	532,889
	$1,148,676	$27,379,160	$28,527,836

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, 2004
SERIES 2
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Claxton Elderly	$ 401,167	5-27.5
Deerfield II	431,890	5-27.5
Hartwell Family	442,751	5-27.5
Cherrytree Apts.	508,242	5-27.5
Springwood Apts.	581,011	5-40
Lakeshore Apts.	481,426	5-40
Lewiston	426,812	5-40
Charleston	622,801	5-25
Sallisaw II	849,074	5-25
Pocola	643,600	5-27.5
Inverness Club	1,645,245	5-27.5
Pearson Elderly	370,846	5-30
Richland Elderly	490,991	5-30
Lake Park	851,486	5-30
Woodland Terrace	503,791	5-30
Mt. Vernon Elderly	329,127	5-30
Lakeland Elderly	445,232	5-30
Prairie Apartments	513,585	5-40
Sylacauga Heritage	659,913	5-40
Manchester Housing	824,891	5-30
Durango C.W.W.	447,807	5-40
Columbus Sr.	276,238	5-27.5
	$12,747,926	

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, 2004
SERIES 3
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Poteau II	Poteau, OK	52	$ 1,277,812
Sallisaw	Sallisaw, OK	52	1,293,161
Nowata Properties	Oolagah, OK	32	844,853
Waldron Properties	Waldron, AR	24	629,571
Roland II	Roland, OK	52	1,291,380
Stilwell	Stilwell, OK	48	1,173,436
Birchwood Apts.	Pierre, SD	24	776,717
Hornellsville	Arkport, NY	24	880,108
Sunchase II	Watertown, SD	41	1,171,158
CE McKinley II	Rising Sun, MD	16	576,054
Weston Apartments	Weston, AL	10	269,773
Countrywood Apts.	Centreville, AL	40	1,178,857
Wildwood Apts.	Pineville, LA	28	836,578
Hancock	Hawesville, KY	12	351,743
Hopkins	Madisonville, KY	24	724,550
Elkhart Apts.	Elkhart, TX	54	1,102,955
Bryan Senior	Bryan, OH	40	1,049,331
Brubaker Square	New Carlisle, OH	38	1,098,164
Southwood	Savannah, TN	44	1,466,262
Villa Allegra	Celina, OH	32	878,885
Belmont Senior	Cynthiana, KY	24	746,953
Heritage Villas	Helena, GA	25	667,839
Logansport Seniors	Logansport, LA	32	1,125,968
			$21,412,108

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, 2004

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	79,673
Hornellsville	41,225	1,018,523	103,704
Sunchase II	113,115	1,198,373	99,535
CE McKinley II	11,762	745,635	71,486
Weston Apartments	0	339,144	8,433
Countrywood Apts.	55,750	1,447,439	87,798
Wildwood Apts.	48,000	1,018,897	29,682
Hancock	20,700	419,725	0
Hopkins	43,581	885,087	(1,412)
Elkhart Apts.	35,985	1,361,096	273,966
Bryan Senior	74,000	1,102,728	11,564
Brubaker Square	75,000	1,376,075	7,941
Southwood	15,000	1,769,334	21,248
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	$1,112,174

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, 2004

SERIES 3

Apartment Properties	Gross Amount At Which Carried At December 31, 2004		
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.	125,831	956,505	1,082,336
Hornellsville	41,225	1,122,227	1,163,452
Sunchase II	120,858	1,290,165	1,411,023
CE McKinley II	11,749	817,134	828,883
Weston Apartments	0	347,577	347,577
Countrywood Apts.	55,750	1,535,237	1,590,987
Wildwood Apts.	48,000	1,048,579	1,096,579
Hancock	20,700	419,725	440,425
Hopkins	43,581	883,675	927,256
Elkhart Apts.	23,378	1,647,669	1,671,047
Bryan Senior	74,000	1,114,292	1,188,292
Brubaker Square	75,000	1,384,016	1,459,016
Southwood	15,000	1,790,582	1,805,582
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
	$1,108,960	$27,142,189	$28,251,449

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, 2004

SERIES 3

Partnership	Accumulated Depreciation	Depreciable Life
Poteau II	$ 1,139,034	5-25
Sallisaw	1,083,154	5-25
Nowata Properties	705,524	5-25
Waldron Properties	533,785	5-25
Roland II	1,147,059	5-25
Stilwell	1,023,784	5-25
Birchwood Apts.	458,150	5-40
Hornellsville	659,983	5-27.5
Sunchase II	613,534	5-40
CE McKinley II	499,207	5-27.5
Weston Apartments	210,107	5-27.5
Countrywood Apts.	897,092	5-27.5
Wildwood Apts.	567,825	5-30
Hancock	219,700	5-27.5
Hopkins	462,557	5-27.5
Elkhart Apts.	900,279	5-25
Bryan Senior	716,903	5-27.5
Brubaker Square	824,459	5-27.5
Southwood	890,842	5-50
Villa Allegra	675,219	5-27.5
Belmont Senior	331,356	5-40
Heritage Villas	393,147	5-30
Logansport Seniors	425,750	5-40
	$15,378,450	

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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SERIES 4
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Alsace Village	Soda Springs, ID	24	$ 628,636
Seneca Apartments	Seneca, MO	24	600,173
Eudora Senior	Eudora, KS	36	945,198
Westville	Westville, OK	36	847,079
Wellsville Senior	Wellsville, KS	24	638,708
Stilwell II	Stilwell, OK	52	1,270,616
Spring Hill Senior	Spring Hill, KS	24	686,967
Smithfield	Smithfield, UT	40	1,517,714
Tarpon Heights	Galliano, LA	48	1,387,661
Oaks Apartments	Oakdale, LA	32	811,085
Wynnwood Common	Fairchance, PA	34	1,351,917
Chestnut Apartments	Howard, SD	24	843,225
St. George	St. George, SC	24	742,333
Williston	Williston, SC	24	787,412
Brackettville Sr.	Brackettville, TX	32	810,715
Sonora Seniors	Sonora, TX	32	831,401
Ozona Seniors	Ozona, TX	24	622,749
Fredericksburg Sr.	Fredericksburg,TX	48	1,187,350
St. Joseph	St. Joseph, IL	24	816,542
Courtyard	Huron, SD	21	701,881
Rural Development	Ashland, ME	25	1,190,150
Jasper Villas	Jasper, AR	25	847,092
Edmonton Senior	Edmonton, KY	24	744,502
Jonesville Manor	Jonesville, VA	40	1,331,872
Norton Green	Norton, VA	40	1,322,841
Owingsville Senior	Owingsville, KY	22	696,579
Timpson Seniors	Timpson, TX	28	663,415
Piedmont	Barnesville, GA	36	1,028,052
S.F. Arkansas City	Arkansas City, KS	12	337,447
			$26,191,312

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

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	$ 49,168
Seneca Apartments	76,212	640,702	39,714
Eudora Senior	50,000	1,207,482	22,551
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	111,938
Tarpon Heights	85,000	1,408,434	769,580
Oaks Apartments	42,000	989,522	500,637
Wynnwood Common	68,000	1,578,814	78,648
Chestnut Apartments	57,200	977,493	39,605
St. George	22,600	915,400	1,018
Williston	25,000	959,345	14,394
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	41,847
Rural Development	38,200	1,361,892	28,911
Jasper Villas	27,000	1,067,890	14,849
Edmonton Senior	40,000	866,714	0
Jonesville Manor	100,000	1,578,135	75,464
Norton Green	120,000	1,535,373	140,646
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	$2,110,471

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, 2004

SERIES 4

Apartment Properties	Gross Amount At Which Carried At December 31, 2004		
Partnership	Land	Buildings, Improvements and Equipment	Total
Alsace Village	$ 15,000	$ 820,758	$ 835,758
Seneca Apartments	79,386	677,242	756,628
Eudora Senior	64,278	1,215,755	1,280,033
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	1,777,611	1,892,651
Tarpon Heights	85,000	2,178,014	2,263,014
Oaks Apartments	42,000	1,490,159	1,532,159
Wynnwood Common	118,004	1,607,458	1,725,462
Chestnut Apartments	63,800	1,010,498	1,074,298
St. George	22,600	916,418	939,018
Williston	25,000	973,739	998,739
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	29,471	846,986	876,457
Rural Development	38,200	1,390,803	1,429,003
Jasper Villas	27,000	1,082,739	1,109,739
Edmonton Senior	40,000	866,714	906,714
Jonesville Manor	100,000	1,653,599	1,753,599
Norton Green	120,000	1,676,019	1,796,019
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
	$1,410,539	$33,048,555	$34,459,094

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 4
Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Alsace Village	$ 448,790	5-27.5
Seneca Apartments	428,781	5-27.5
Eudora Senior	628,198	5-27.5
Westville	562,999	5-27.5
Wellsville Senior	408,078	5-25
Stilwell II	853,944	5-27.5
Spring Hill Senior	572,250	5-25
Smithfield	625,039	5-40
Tarpon Heights	576,984	5-40
Oaks Apartments	421,162	5-40
Wynnwood Common	601,818	5-40
Chestnut Apartments	435,479	5-40
St. George	506,060	5-27.5
Williston	519,089	5-27.5
Brackettville Sr.	325,868	5-40
Sonora Seniors	338,528	5-40
Ozona Seniors	246,795	5-40
Fredericksburg Sr.	467,810	5-40
St. Joseph	497,563	5-27.5
Courtyard	429,954	5-27.5
Rural Development	751,932	5-27.5
Jasper Villas	402,089	5-40
Edmonton Senior	317,286	5-40
Jonesville Manor	864,618	5-27.5
Norton Green	894,392	5-27.5
Owingsville Senior	298,534	5-40
Timpson Seniors	295,387	5-40
Piedmont	482,887	5-27.5
S.F. Arkansas City	206,782	5-27.5
	$14,409,096	

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 5
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Seymour	Seymour, IN	37	$ 1,220,595
Effingham	Effingham, IL	24	792,661
S.F. Winfield	Winfield, KS	12	329,271
S.F.Medicine Lodge	Medicine Lodge,KS	16	449,276
S.F. Ottawa	Ottawa, KS	24	565,690
S.F. Concordia	Concordia, KS	20	550,821
Carrollton Club	Carrollton, GA	78	2,639,961
Scarlett Oaks	Lexington, SC	40	1,368,983
Brooks Hill	Ellijay, GA	44	1,440,814
Greensboro	Greensboro, GA	24	721,425
Greensboro II	Greensboro, GA	33	888,004
Pine Terrace	Wrightsville, GA	25	715,905
Shellman	Shellman, GA	27	728,272
Blackshear	Cordele, GA	46	1,301,090
Crisp Properties	Cordele, GA	31	918,277
Crawford	Crawford, GA	25	734,071
Yorkshire	Wagoner, OK	60	2,053,758
Woodcrest	South Boston, VA	40	1,258,924
Fox Ridge	Russellville, AL	24	726,329
Redmont II	Red Bay, AL	24	685,766
Clayton	Clayton, OK	24	659,021
Alma	Alma, AR	24	723,503
Pemberton Village	Hiawatha, KS	24	629,445
Magic Circle	Eureka, KS	24	645,194
Spring Hill	Spring Hill, KS	36	1,110,920
Menard Retirement	Menard, TX	24	619,424
Wallis Housing	Wallis, TX	24	402,940
Zapata Housing	Zapata, TX	40	964,832
Mill Creek	Grove, OK	60	1,413,144
Portland II	Portland, IN	20	574,775
Georgetown	Georgetown, OH	24	730,562
Cloverdale	Chandler, TX	24	747,766
S. Timber Ridge	Cloverdale, IN	44	1,050,094
Pineville	Pineville, MO	12	315,383
Ravenwood	Americus, GA	24	715,517
			$31,392,413

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SERIES 5

Apartment Properties	Cost At Acquisition		
Partnership	Land	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	8,365
S.F. Ottawa	25,200	687,929	19,213
S.F. Concordia	28,000	658,961	8,947
Carrollton Club	248,067	722,560	2,247,274
Scarlett Oaks	44,475	992,158	648,340
Brooks Hill	0	214,335	1,545,898
Greensboro	15,930	61,495	788,834
Greensboro II	21,330	92,063	975,271
Pine Terrace	14,700	196,071	675,563
Shellman	13,500	512,531	375,617
Blackshear	60,000	413,143	1,129,290
Crisp Properties	48,000	578,709	502,075
Crawford	16,600	187,812	703,300
Yorkshire	100,000	2,212,045	303,041
Woodcrest	70,000	842,335	696,221
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	16,885
Wallis Housing	13,900	553,230	11,203
Zapata Housing	44,000	1,120,538	78,314
Mill Creek	28,000	414,429	1,299,240
Portland II	43,102	410,683	351,285
Georgetown	0	149,483	831,813
Cloverdale	40,000	583,115	392,597
S. Timber Ridge	43,705	1,233,570	51,154
Pineville	59,661	328,468	25,925
Ravenwood	14,300	873,596	13,100
	$1,401,999	$24,326,999	$13,818,550

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
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SERIES 5

Apartment Properties	Gross Amount At Which Carried At December 31, 2004		
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	551,324	572,924
S.F. Ottawa	25,200	707,142	732,342
S.F. Concordia	28,000	667,908	695,908
Carrollton Club	248,068	2,969,833	3,217,901
Scarlett Oaks	55,575	1,629,398	1,684,973
Brooks Hill	84,582	1,675,651	1,760,233
Greensboro	15,930	850,329	866,259
Greensboro II	16,845	1,071,819	1,088,664
Pine Terrace	14,700	871,634	886,334
Shellman	13,500	888,148	901,648
Blackshear	60,000	1,542,433	1,602,433
Crisp Properties	48,000	1,080,784	1,128,784
Crawford	16,600	891,112	907,712
Yorkshire	119,888	2,495,198	2,615,086
Woodcrest	70,000	1,538,556	1,608,556
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	738,136	759,136
Wallis Housing	97,313	481,020	578,333
Zapata Housing	46,323	1,196,529	1,242,852
Mill Creek	28,000	1,713,669	1,741,669
Portland II	15,000	790,070	805,070
Georgetown	50,393	930,903	981,296
Cloverdale	40,000	975,712	1,015,712
S. Timber Ridge	33,300	1,295,129	1,328,429
Pineville	60,006	354,048	414,054
Ravenwood	14,300	886,696	900,996
	$1,611,052	$37,936,496	$39,547,548

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
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SERIES 5

Partnership	Accumulated Depreciation	Depreciable Life
Seymour	$ 746,581	5-27.5
Effingham	476,588	5-27.5
S.F. Winfield	202,620	5-27.5
S.F.Medicine Lodge	262,013	5-27.5
S.F. Ottawa	367,742	5-27.5
S.F. Concordia	351,500	5-27.5
Carrollton Club	1,356,969	5-27.5
Scarlett Oaks	732,179	5-27.5
Brooks Hill	748,674	5-27.5
Greensboro	365,721	5-30
Greensboro II	460,736	5-30
Pine Terrace	389,921	5-30
Shellman	402,018	5-30
Blackshear	671,485	5-30
Crisp Properties	482,899	5-30
Crawford	394,817	5-30
Yorkshire	742,378	5-50
Woodcrest	543,883	5-40
Fox Ridge	262,510	5-50
Redmont II	254,795	5-50
Clayton	418,060	5-27.5
Alma	501,747	5-25
Pemberton Village	384,860	5-27.5
Magic Circle	393,908	5-27.5
Spring Hill	733,913	5-25
Menard Retirement	200,915	5-30
Wallis Housing	261,775	5-30
Zapata Housing	394,909	5-27.5
Mill Creek	914,066	5-25
Portland II	327,072	5-27.5
Georgetown	367,242	5-50
Cloverdale	499,871	5-27.5
S. Timber Ridge	689,837	5-25
Pineville	213,733	5-27.5
Ravenwood	280,238	5-27.5
	$16,798,175	

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SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004

SERIES 6
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
Spruce	Pierre, SD	24	$ 902,808
Shannon Apartments	O'Neill, NE	16	528,355
Carthage	Carthage, MO	24	564,012
Mt. Crest	Enterprise, OR	39	989,843
Coal City	Coal City, IL	24	964,322
Blacksburg Terrace	Blacksburg, SC	32	1,070,753
Frazier	Smyrna, DE	30	1,453,185
Ehrhardt	Ehrhardt, SC	16	553,979
Sinton	Sinton, TX	32	839,533
Frankston	Frankston, TX	24	553,413
Flagler Beach	Flagler Beach, FL	43	1,365,754
Oak Ridge	Williamsburg, KY	24	801,938
Monett	Monett, MO	32	777,558
Arma	Arma, KS	28	709,107
Southwest City	Southwest City, MO	12	314,503
Meadowcrest	Luverne, AL	32	993,481
Parsons	Parsons, KS	48	1,242,701
Newport Village	Newport, TN	40	1,283,792
Goodwater Falls	Jenkins, KY	36	1,091,183
Northfield Station	Corbin, KY	24	788,481
Pleasant Hill Square	Somerset, KY	24	771,897
Winter Park	Mitchell, SD	24	989,391
Cornell	Watertown, SD	24	859,229
Heritage Drive S.	Jacksonville, TX	40	969,558
Brodhead	Brodhead, KY	24	776,880
Mt. Vilage	Mt. Vernon, KY	24	774,084
Hazelhurst	Hazlehurst, MS	32	954,041
Sunrise	Yankton, SD	33	1,146,682
Stony Creek	Hooversville, PA	32	1,325,650
Logan Place	Logan, OH	40	1,237,714
Haines	Haines, AK	32	2,355,518
Maple Wood	Barbourville, KY	24	786,411
Summerhill	Gassville, AR	28	786,178
Dorchester	St. George, SC	12	457,608
Lancaster	Mountain View, AR	33	1,086,355
Autumn Village	Harrison, AR	16	156,299
Hardy	Hardy, AR	24	294,838
Dawson	Dawson, GA	40	1,171,414
			$34,688,448

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, 2004

SERIES 6

Apartment Properties	Cost At Acquisition		
Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
Spruce	$ 60,040	$ 108,772	$ 984,235
Shannon Apartments	5,000	94,494	591,717
Carthage	115,814	578,597	59,646
Mt. Crest	64,914	1,143,675	47,750
Coal City	60,055	1,121,477	120,460
Blacksburg Terrace	39,930	1,278,860	54,183
Frazier	51,665	1,619,209	5,968
Ehrhardt	9,020	671,750	22,006
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	30,090
Arma	85,512	771,316	34,352
Southwest City	67,303	319,272	37,543
Meadowcrest	72,500	1,130,651	17,711
Parsons	49,780	1,483,188	0
Newport Village	61,350	1,470,505	113,316
Goodwater Falls	32,000	1,142,517	240,461
Northfield Station	44,250	977,220	1,091
Pleasant Hill Square	35,000	893,323	33,603
Winter Park	95,000	1,121,119	91,622
Cornell	32,000	1,017,572	78,691
Heritage Drive S.	44,247	1,151,157	16,912
Brodhead	21,600	932,468	19,001
Mt. Vilage	55,000	884,596	12,680
Hazelhurst	60,000	1,118,734	49,905
Sunrise	90,000	1,269,252	79,255
Stony Creek	0	1,428,656	220,627
Logan Place	39,300	1,477,527	10,085
Haines	189,323	2,851,953	12,293
Maple Wood	79,000	924,144	36,646
Summerhill	23,000	788,157	33,083
Dorchester	13,000	239,455	308,553
Lancaster	37,500	1,361,272	(9,579)
Autumn Village	20,000	595,604	478
Hardy	0	473,695	458,294
Dawson	40,000	346,569	1,088,404
	$2,094,010	$37,723,952	$4,937,075

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, 2004

SERIES 6

Apartment Properties	Gross Amount At Which Carried At December 31, 2004		
Partnership	Land	Buildings, Improvements and Equipment	Total
Spruce	$ 86,308	$ 1,066,739	$ 1,153,047
Shannon Apartments	18,406	672,805	691,211
Carthage	120,386	633,671	754,057
Mt. Crest	64,914	1,191,425	1,256,339
Coal City	60,055	1,241,937	1,301,992
Blacksburg Terrace	39,930	1,333,043	1,372,973
Frazier	51,665	1,625,177	1,676,842
Ehrhardt	9,020	693,756	702,776
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	809,901	983,114
Arma	89,512	801,668	891,180
Southwest City	85,136	338,982	424,118
Meadowcrest	79,100	1,141,762	1,220,862
Parsons	49,780	1,483,188	1,532,968
Newport Village	61,350	1,583,821	1,645,171
Goodwater Falls	32,000	1,382,978	1,414,978
Northfield Station	44,250	978,311	1,022,561
Pleasant Hill Square	29,550	932,376	961,926
Winter Park	95,556	1,212,185	1,307,741
Cornell	36,012	1,092,251	1,128,263
Heritage Drive S.	37,440	1,174,876	1,212,316
Brodhead	21,600	951,469	973,069
Mt. Vilage	55,000	897,276	952,276
Hazelhurst	60,000	1,168,639	1,228,639
Sunrise	112,363	1,326,144	1,438,507
Stony Creek	104,800	1,544,483	1,649,283
Logan Place	39,300	1,487,612	1,526,912
Haines	189,323	2,864,246	3,053,569
Maple Wood	79,000	960,790	1,039,790
Summerhill	23,000	821,240	844,240
Dorchester	13,000	548,008	561,008
Lancaster	37,500	1,351,693	1,389,193
Autumn Village	20,000	596,082	616,082
Hardy	21,250	910,739	931,989
Dawson	40,000	1,434,973	1,474,973
	$2,310,397	$42,444,640	$44,755,037

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, 2004

SERIES 6

Partnership	Accumulated Depreciation	Depreciable Life
Spruce	$ 442,327	5-30
Shannon Apartments	228,671	5-40
Carthage	412,242	5-27.5
Mt. Crest	604,692	5-27.5
Coal City	444,237	5-27.5
Blacksburg Terrace	684,545	5-27.5
Frazier	827,468	5-27.5
Ehrhardt	323,027	5-27.5
Sinton	275,577	5-50
Frankston	175,756	5-30
Flagler Beach	529,206	5-40
Oak Ridge	472,217	5-27.5
Monett	511,417	5-27.5
Arma	477,428	5-27.5
Southwest City	216,437	5-27.5
Meadowcrest	404,345	5-40
Parsons	758,894	5-27.5
Newport Village	774,108	5-27.5
Goodwater Falls	464,020	5-27.5
Northfield Station	329,555	5-27.5
Pleasant Hill Square	315,435	5-27.5
Winter Park	491,610	5-40
Cornell	373,466	5-40
Heritage Drive S.	596,983	5-25
Brodhead	309,006	5-40
Mt. Vilage	295,456	5-50
Hazelhurst	382,281	5-40
Sunrise	618,311	5-27.5
Stony Creek	517,139	5-27.5
Logan Place	598,579	5-27.5
Haines	1,327,201	5-27.5
Maple Wood	454,407	5-27.5
Summerhill	391,379	5-27.5
Dorchester	243,743	5-27.5
Lancaster	482,936	5-40
Autumn Village	206,193	5-40
Hardy	302,013	5-40
Dawson	410,172	5-40
	$17,672,479	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
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, 2003		$28,474,868
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	48,155	
Improvements, etc.	9,398	
Other	0	
		57,553
Deductions during period:		
Cost of real estate sold	0	
Other	(4,585)	
		(4,585)
Balance at end of period - December 31, 2004		$28,527,836

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003		$11,882,795
Current year expense	869,716	
Less Accumulated Depreciation of real estate sold	(4,585)	
Other	0	
		865,131
Balance at end of period - December 31, 2004		$ 12,747,926

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
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, 2003		$28,200,573
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	52,889	
Improvements, etc.	(2,013)	
Other	0	
		50,876
Deductions during period:		
Cost of real estate sold	0	
Other	0	
		0
Balance at end of period - December 31, 2004		$28,251,449

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003		$14,415,659
Current year expense	964,804	
Less Accumulated Depreciation of real estate sold	(2,013)	
Other		
		962,791
Balance at end of period - December 31, 2004		$15,378,450

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
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, 2003		$34,383,735
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	32,669	
Improvements, etc.	38,817	
Other	3,873	
		75,359
Deductions during period:		
Cost of real estate sold	0	
Other	0	
		0
Balance at end of period - December 31, 2004		$34,459,094

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003		$ 13,360,202
Current year expense	1,045,021	
Less Accumulated Depreciation of real estate sold	0	
Other	3,873	
		1,048,894
Balance at end of period - December 31, 2004		$14,409,096

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
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, 2003		$40,380,333
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	54,669	
Improvements, etc.	19,100	
Other	0	
		73,769
Deductions during period:		
Cost of real estate sold	906,554	
Other	0	
		(906,554)
Balance at end of period - December 31, 2004		$39,547,548

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003		$15,887,639
Current year expense	1,247,246	
Less Accumulated Depreciation of real estate sold	(336,710)	
Other	0	
		910,536
Balance at end of period - December 31, 2004		$16,798,175

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN
AS OF DECEMBER 31, 2004
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, 2003		$44,625,557
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	126,288	
Improvements, etc.	8,144	
Other	0	
		134,432
Deductions during period:		
Cost of real estate sold	(4,952)	
Other	0	(4,952)
Balance at end of period - December 31, 2004		$44,755,037

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2003		$16,310,634
Current year expense	1,366,797	
Less Accumulated Depreciation of real estate sold	(4,952)	
Other	0	
		1,361,845
Balance at end of period - December 31, 2004		$17,672,479

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 2

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Claxton Elderly	24	$ 648,178	8.75%	5,883	50
Deerfield II	24	691,056	8.75%	6,284	50
Hartwell Family	24	694,461	8.75%	5,307	50
Cherrytree Apts.	33	1,181,613	8.75%	9,011	50
Springwood Apts.	32	1,233,203	8.75%	9,218	50
Lakeshore Apts.	34	1,037,765	8.75%	7,905	50
Lewiston	25	984,939	9.00%	7,720	50
Charleston	32	830,050	8.75%	6,333	50
Sallisaw II	47	1,178,993	8.75%	8,980	50
Pocola	36	972,366	8.75%	7,407	50
Inverness Club	72	2,943,814	8.75%	27,905	50
Pearson Elderly	25	613,963	9.00%	4,926	50
Richland Elderly	33	854,274	8.75%	6,517	50
Lake Park	48	1,463,544	9.00%	11,466	50
Woodland Terrace	30	874,224	8.75%	6,666	50
Mt. Vernon Elderly	21	565,225	8.75%	4,309	50
Lakeland Elderly	29	767,719	8.75%	5,882	50
Prairie Apartments	21	961,646	9.00%	7,515	50
Sylacauga Heritage	44	1,364,864	8.75%	10,536	50
Manchester Housing	49	1,434,215	8.75%	10,958	50
Durango C.W.W.	24	1,020,362	9.00%	7,739	50
Columbus Sr.	16	430,048	8.25%	3,102	50
		$22,746,522			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 3

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Poteau II	52	$ 1,277,812	9.50%	10,682	50
Sallisaw	52	1,293,161	9.50%	10,654	50
Nowata Properties	32	844,853	9.50%	6,905	50
Waldron Properties	24	629,571	9.00%	4,950	50
Roland II	52	1,291,380	9.50%	10,657	50
Stilwell	48	1,173,436	9.50%	9,727	50
Birchwood Apts.	24	776,717	9.50%	6,410	50
Hornellsville	24	880,108	9.00%	6,927	50
Sunchase II	41	1,171,158	9.00%	9,279	50
CE McKinley II	16	576,054	8.75%	5,146	50
Weston Apartments	10	269,773	9.00%	2,131	50
Countrywood Apts.	40	1,178,857	9.00%	9,310	50
Wildwood Apts.	28	836,578	9.50%	6,906	50
Hancock	12	351,743	9.50%	3,119	50
Hopkins	24	724,550	8.75%	5,815	50
Elkhart Apts.	54	1,102,955	9.00%	9,198	40
Bryan Senior	40	1,049,331	10.00%	9,455	50
Brubaker Square	38	1,098,164	9.00%	8,646	50
Southwood	44	1,466,262	9.25%	11,752	50
Villa Allegra	32	878,885	9.00%	7,053	50
Belmont Senior	24	746,953	9.00%	6,001	50
Heritage Villas	25	667,839	8.75%	5,110	50
Logansport Seniors	32	1,125,968	8.75%	6,745	50
		$21,412,108			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 4

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Alsace Village	24	$ 628,636	9.00%	4,915	50
Seneca Apartments	24	600,173	9.00%	4,692	50
Eudora Senior	36	945,198	8.75%	7,269	50
Westville	36	847,079	8.75%	6,448	50
Wellsville Senior	24	638,708	8.75%	4,859	50
Stilwell II	52	1,270,616	8.75%	9,672	50
Spring Hill Senior	24	686,967	8.75%	5,236	50
Smithfield	40	1,517,714	8.75%	11,746	50
Tarpon Heights	48	1,387,661	8.75%	9,347	50
Oaks Apartments	32	811,085	9.00%	6,663	50
Wynnwood Common	34	1,351,917	8.75%	10,300	50
Chestnut Apartments	24	843,225	8.75%	6,419	50
St. George	24	742,333	8.75%	5,677	50
Williston	24	787,412	9.00%	6,147	50
Brackettville Sr.	32	810,715	8.75%	6,172	50
Sonora Seniors	32	831,401	8.75%	6,337	50
Ozona Seniors	24	622,749	8.75%	4,744	50
Fredericksburg Sr.	48	1,187,350	8.75%	9,050	50
St. Joseph	24	816,542	9.00%	6,379	50
Courtyard	21	701,881	9.25%	5,622	50
Rural Development	25	1,190,150	9.25%	9,539	50
Jasper Villas	25	847,092	8.75%	6,450	50
Edmonton Senior	24	744,502	9.00%	5,688	50
Jonesville Manor	40	1,331,872	8.75%	10,159	50
Norton Green	40	1,322,841	8.75%	10,085	50
Owingsville Senior	22	696,579	9.00%	5,297	50
Timpson Seniors	28	663,415	8.75%	5,058	50
Piedmont	36	1,028,052	8.75%	7,856	50
S.F. Arkansas City	12	337,447	10.62%	3,056	50
		$26,191,312			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 5

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Seymour	37	$ 1,220,595	8.75%	9,346	50
Effingham	24	792,661	8.75%	6,032	50
S.F. Winfield	12	329,271	11.37%	3,016	50
S.F.Medicine Lodge	16	449,276	10.62%	4,049	50
S.F. Ottawa	24	565,690	10.62%	5,126	50
S.F. Concordia	20	550,821	11.87%	5,498	50
Carrollton Club	78	2,639,961	7.75%	18,064	50
Scarlett Oaks	40	1,368,983	8.25%	9,870	50
Brooks Hill	44	1,440,814	8.25%	10,398	50
Greensboro	24	721,425	7.75%	4,937	50
Greensboro II	33	888,004	7.75%	6,129	50
Pine Terrace	25	715,905	8.25%	5,172	50
Shellman	27	728,272	8.25%	5,264	50
Blackshear	46	1,301,090	8.25%	9,389	50
Crisp Properties	31	918,277	8.25%	6,632	50
Crawford	25	734,071	8.25%	5,302	50
Yorkshire	60	2,053,758	8.25%	14,842	50
Woodcrest	40	1,258,924	8.25%	9,402	50
Fox Ridge	24	726,329	9.00%	5,673	50
Redmont II	24	685,766	8.75%	5,355	50
Clayton	24	659,021	8.25%	4,760	50
Alma	24	723,503	8.75%	8,018	50
Pemberton Village	24	629,445	8.75%	4,782	50
Magic Circle	24	645,194	8.75%	4,913	50
Spring Hill	36	1,110,920	8.25%	8,018	50
Menard Retirement	24	619,424	8.75%	4,715	50
Wallis Housing	24	402,940	8.75%	3,688	50
Zapata Housing	40	964,832	8.75%	7,377	50
Mill Creek	60	1,413,144	8.25%	10,192	50
Portland II	20	574,775	8.75%	4,388	50
Georgetown	24	730,562	8.25%	5,265	50
Cloverdale	24	747,766	8.75%	5,693	50
S. Timber Ridge	44	1,050,094	8.75%	7,986	50
Pineville	12	315,383	8.25%	2,318	50
Ravenwood	24	715,517	7.25%	4,595	50
		$31,392,413			

GATEWAY TAX CREDIT FUND II LTD.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2004

SERIES 6

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Spruce	24	$ 902,808	8.75%	6,857	50
Shannon Apartments	16	528,355	8.75%	4,014	50
Carthage	24	564,012	8.75%	4,371	50
Mt. Crest	39	989,843	8.25%	7,150	50
Coal City	24	964,322	7.75%	6,578	50
Blacksburg Terrace	32	1,070,753	8.25%	7,738	50
Frazier	30	1,453,185	8.25%	10,470	50
Ehrhardt	16	553,979	7.75%	3,791	50
Sinton	32	839,533	8.25%	6,063	50
Frankston	24	553,413	8.75%	4,207	50
Flagler Beach	43	1,365,754	8.25%	9,864	50
Oak Ridge	24	801,938	8.25%	5,800	50
Monett	32	777,558	8.25%	5,598	50
Arma	28	709,107	8.75%	5,388	50
Southwest City	12	314,503	8.25%	2,271	50
Meadowcrest	32	993,481	8.25%	7,160	50
Parsons	48	1,242,701	7.75%	8,485	50
Newport Village	40	1,283,792	7.75%	8,798	50
Goodwater Falls	36	1,091,183	7.75%	7,980	50
Northfield Station	24	788,481	7.75%	5,379	50
Pleasant Hill Square	24	771,897	7.75%	5,315	50
Winter Park	24	989,391	8.25%	7,131	50
Cornell	24	859,229	8.25%	6,193	50
Heritage Drive S.	40	969,558	8.25%	6,990	50
Brodhead	24	776,880	7.75%	5,303	50
Mt. Vilage	24	774,084	8.25%	5,574	50
Hazelhurst	32	954,041	8.25%	7,105	50
Sunrise	33	1,146,682	8.75%	8,711	50
Stony Creek	32	1,325,650	8.75%	9,065	50
Logan Place	40	1,237,714	8.25%	8,909	50
Haines	32	2,355,518	8.25%	16,950	50
Maple Wood	24	786,411	7.75%	5,381	50
Summerhill	28	786,178	8.25%	5,911	50
Dorchester	12	457,608	7.75%	3,118	50
Lancaster	33	1,086,355	7.75%	7,775	50
Autumn Village	16	156,299	7.00%	2,608	50
Hardy	24	294,838	6.00%	3,639	18
Dawson	40	1,171,414	7.25%	7,524	50
		$34,688,448			

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: July 13, 2005

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

Date: July 13, 2005

By: /s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer

Date: July 13, 2005

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

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: July 13, 2005

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

I, Jonathan Oorlog, 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: July 13, 2005

By:/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer