

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

(Mark One)

**FORM 10-K**

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

For the fiscal year ended March 31, 2006

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

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

Title of Each Class	Number of Units
	<u>March 31, 2006</u>
Beneficial Assignee Certificates	<u>2,571</u>
General Partner Interest	<u>2</u>

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES \_\_\_\_\_ NO X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES \_\_\_\_\_ NO X

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

YES X NO \_\_\_\_\_

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer \_\_\_ Accelerated filer \_\_\_ Non-accelerated filer  X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) \_\_\_ Yes  X  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants most recently completed second fiscal quarter.

There is no market for the Registrants Limited Partnership interests.

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, 2006, 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, 2006. 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, 2006, Gateway had invested in 146 Project Partnerships in total. Project Partnership investments by Series are as follows: 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 37 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, 2006 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, 2006 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.

Many of the Project Partnerships have reached the end of their tax-credit compliance period and those Project Partnerships that have yet to reach the end of their tax-credit compliance period will do so within the next three years. To-date, two of the Project Partnerships have been sold and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales have been disbursed to the Limited Partners of those series of Gateway.

Gateway is presently evaluating the potential disposition of each of the Project Partnerships which have reached the end of their tax-credit compliance period and as opportunities arise, will endeavor to sell Gateway's interest in those Project Partnerships. The Partnerships objective is to maximize the investor's return wherever possible and ultimately, to liquidate the Project Partnerships that no longer provide tax benefits to investors.

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

#### Item 1A. Risk Factors

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.

#### Item 1B. Unresolved Staff Comments

None.

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, 3 and 4 is 0% of each series' total assets, Series 5 is 15.62% and series 6 is 18.66% of each series' total assets. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2005:

SERIES 2 PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU- PANCY RATE
Claxton Elderly	Claxton, GA	24	9/90	\$ 808,632	100%
Deerfield II	Douglas, GA	24	9/90	854,562	75%
Hartwell Family	Hartwell, GA	24	9/90	859,698	88%
Cherrytree Apts.	Albion, PA	33	9/90	1,466,107	91%
Springwood Apts.	Westfield, NY	32	9/90	1,564,010	91%
Lakeshore Apts.	Tuskegee, AL	34	9/90	1,296,604	91%
Lewiston	Lewiston, NY	25	10/90	1,233,935	92%
Charleston	Charleston, AR	32	9/90	1,076,098	91%
Sallisaw II	Sallisaw, OK	47	9/90	1,517,589	94%
Pocola	Pocola, OK	36	10/90	1,245,870	97%
Inverness Club	Inverness, FL	72	9/90	3,496,824	99%
Pearson Elderly	Pearson, GA	25	9/90	781,460	96%
Richland Elderly	Richland, GA	34	9/90	1,057,871	97%
Lake Park	Lake Park, GA	48	9/90	1,794,542	98%
Woodland Terrace	Waynesboro, GA	30	9/90	1,081,582	97%
Mt. Vernon Elderly	Mt. Vernon, GA	21	9/90	700,935	95%
Lakeland Elderly	Lakeland, GA	29	9/90	955,815	100%
Prairie Apartments	Eagle Butte, SD	21	10/90	1,364,454	86%
Sylacauga Heritage	Sylacauga, AL	44	12/90	1,782,517	84%
Manchester Housing	Manchester, GA	49	1/91	1,781,614	100%
Durango C.W.W.	Durango, CO	24	1/91	1,363,214	100%
Columbus Seniors	Columbus, KS	16	5/92	534,818	100%
		724		\$28,618,751	

The aggregate average effective rental per unit is \$3,980 per year (\$332 per month).

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	92%
Sallisaw	Sallisaw, OK	52	8/90	1,744,103	96%
Nowata Properties	Oolagah, OK	32	8/90	1,148,484	84%
Waldron Properties	Waldron, AR	24	9/90	860,273	100%
Roland II	Roland, OK	52	10/90	1,804,010	88%
Stilwell	Stilwell, OK	48	10/90	1,597,701	96%
Birchwood Apts.	Pierre, SD	24	9/90	1,106,461	71%
Hornellsville	Arkport, NY	24	9/90	1,167,065	100%
Sunchase II	Watertown, SD	41	9/90	1,473,344	98%
CE McKinley II	Rising Sun, MD	16	9/90	842,068	100%
Weston Apartments	Weston, AL	10	11/90	347,577	100%
Countrywood Apts.	Centreville, AL	40	11/90	1,599,541	100%
Wildwood Apts.	Pineville, LA	28	11/90	1,099,442	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	1,676,515	89%
Bryan Senior	Bryan, OH	40	1/91	1,188,292	98%
Brubaker Square	New Carlisle, OH	38	1/91	1,459,016	92%
Southwood	Savannah, TN	44	1/91	1,805,582	98%
Villa Allegra	Celina, OH	32	1/91	1,150,622	100%
Belmont Senior	Cynthiana, KY	24	1/91	935,143	100%
Heritage Villas	Helena, GA	25	3/91	824,759	96%
Logansport Seniors	Logansport, LA	32	3/91	1,384,751	100%
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		768		\$28,371,578	
		=====		=====	

The average effective rental per unit is \$3,690 per year (\$308 per month).

Item 2. Properties (continued):

SERIES 4

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Alsace	Soda Springs, ID	24	12/90	\$ 838,229	96%
Seneca Apartments	Seneca, MO	24	2/91	819,846	88%
Eudora Senior	Eudora, KS	36	3/91	1,290,143	97%
Westville	Westville, OK	36	3/91	1,101,686	97%
Wellsville Senior	Wellsville, KS	24	3/91	810,970	92%
Stilwell II	Stilwell, OK	52	3/91	1,657,974	98%
Spring Hill Sr.	Spring Hill, KS	24	3/91	1,036,369	100%
Smithfield	Smithfield, UT	40	4/91	1,935,434	100%
Tarpon Heights	Galliano, LA	48	4/91	2,263,014	94%
Oaks Apartments	Oakdale, LA	32	4/91	1,532,159	91%
Wynnwood Common	Fairchance, PA	34	4/91	1,725,462	100%
Chestnut Apts.	Howard, SD	24	5/91	1,079,682	38%
St. George	St. George, SC	24	6/91	939,018	100%
Williston	Williston, SC	24	6/91	998,739	92%
Brackettville Sr.	Brackettville, TX	32	6/91	1,042,263	100%
Sonora Seniors	Sonora, TX	32	6/91	1,047,032	100%
Ozona Seniors	Ozona, TX	24	6/91	802,089	92%
Fredericksburg Sr.	Fredericksburg, TX	48	6/91	1,444,252	98%
St. Joseph	St. Joseph, IL	24	6/91	976,883	96%
Courtyard	Huron, SD	21	6/91	878,367	100%
Rural Development	Ashland, ME	25	6/91	1,429,003	84%
Jasper Villas	Jasper, AR	25	6/91	1,111,694	92%
Edmonton Senior	Edmonton, KY	24	6/91	906,714	96%
Jonesville Manor	Jonesville, VA	40	6/91	1,764,925	100%
Norton Green	Norton, VA	40	6/91	1,808,030	100%
Owingsville Senior	Owingsville, KY	22	8/91	853,294	100%
Timpson Seniors	Timpson, TX	28	8/91	815,916	89%
Piedmont	Barnesville, GA	36	8/91	1,289,047	100%
S.F. Arkansas City	Arkansas City, KS	12	8/91	412,028	100%
		879		\$34,610,262	

The average effective rental per unit is \$3,914 per year (\$326 per month).

Item 2. Properties (continued):

SERIES 5

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Seymour	Seymour, IN	37	8/91	\$ 1,517,702	89%
Effingham	Effingham, IL	24	8/91	980,617	92%
S.F. Winfield	Winfield, KS	12	8/91	402,402	75%
S.F. Medicine Lodge	Medicine Lodge, KS	16	8/91	572,924	88%
S.F. Ottawa	Ottawa, KS	24	8/91	732,342	100%
S.F. Concordia	Concordia, KS	20	8/91	695,908	100%
Carrollton Club	Carrollton, GA	78	9/91	3,217,901	97%
Scarlett Oaks	Lexington, SC	40	9/91	1,685,349	100%
Brooks Hill	Ellijay, GA	44	9/91	1,760,233	100%
Greensboro	Greensboro, GA	24	9/91	866,259	83%
Greensboro II	Greensboro, GA	32	9/91	1,088,664	100%
Pine Terrace	Wrightsville, GA	24	9/91	886,334	83%
Shellman	Shellman, GA	27	9/91	901,648	81%
Blackshear	Cordele, GA	46	9/91	1,602,433	100%
Crisp Properties	Cordele, GA	31	9/91	1,128,784	90%
Crawford	Crawford, GA	25	9/91	907,712	80%
Yorkshire	Wagoner, OK	60	9/91	2,640,793	100%
Woodcrest	South Boston, VA	40	9/91	1,629,574	100%
Fox Ridge	Russellville, AL	24	9/91	889,941	100%
Redmont II	Red Bay, AL	24	9/91	840,596	100%
Clayton	Clayton, OK	24	9/91	871,530	100%
Alma	Alma, AR	24	9/91	957,710	100%
Pemberton Village	Hiawatha, KS	24	9/91	776,725	96%
Magic Circle	Eureka, KS	24	9/91	823,643	96%
Spring Hill	Spring Hill, KS	36	9/91	1,449,378	100%
Menard Retirement	Menard, TX	24	9/91	759,136	96%
Wallis Housing	Wallis, TX	24	9/91	578,333	83%
Zapata Housing	Zapata, TX	40	9/91	1,243,118	98%
Mill Creek	Grove, OK	60	11/91	1,741,669	100%
Portland II	Portland, IN	20	11/91	815,439	95%
Georgetown	Georgetown, OH	24	11/91	985,738	92%
Cloverdale	Cloverdale, IN	24	1/92	1,016,431	100%
So. Timber Ridge	Chandler, TX	44	1/92	1,328,429	95%
Pineville	Pineville, MO	12	5/92	431,459	75%
Ravenwood	Americus, GA	24	1/94	900,996	92%
		-----		-----	
		1,080		\$39,627,850	
		=====		=====	

The average effective rental per unit is \$3,823 per year (\$319 per month).

Item 2. Properties (continued):

SERIES 6

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCUPANCY RATE
Spruce	Pierre, SD	24	11/91	\$ 1,173,675	63%
Shannon	O'Neill, NE	16	11/91	696,465	94%
Carthage	Carthage, MO	24	1/92	759,587	100%
Coal City	Coal City, IL	24	3/92	1,311,068	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	705,526	94%
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	100%
Oak Ridge	Williamsburg, KY	24	5/92	1,045,646	83%
Monett	Monett, MO	32	5/92	996,611	100%
Arma	Arma, KS	28	5/92	898,503	96%
Southwest City	Southwest City, MO	12	5/92	428,909	100%
Meadowcrest	Luverne, AL	32	6/92	1,232,064	94%
Parsons	Parsons, KS	48	7/92	1,532,968	100%
Newport Village	Newport, TN	40	7/92	1,648,070	98%
Goodwater Falls	Jenkins, KY	36	7/92	1,414,978	97%
Northfield Station	Corbin, KY	24	7/92	1,022,561	96%
Pleasant Hill	Somerset, KY	24	7/92	961,926	96%
Winter Park	Mitchell, SD	24	7/92	1,312,854	100%
Cornell	Watertown, SD	24	7/92	1,134,925	88%
Heritage Drive So.	Jacksonville, TX	40	1/92	1,220,551	93%
Brodhead	Brodhead, KY	24	7/92	973,069	83%
Mt. Village	Mt. Vernon, KY	24	7/92	954,391	88%
Hazlehurst	Hazlehurst, MS	32	8/92	1,228,639	100%
Sunrise	Yankton, SD	33	8/92	1,493,443	97%
Stony Creek	Hooversville, PA	32	8/92	1,652,683	100%
Logan Place	Logan, OH	40	9/92	1,526,912	98%
Haines	Haines, AK	32	8/92	3,087,737	94%
Maple Wood	Barbourville, KY	24	8/92	1,039,790	100%
Summerhill	Gassville, AR	28	9/92	844,240	100%
Dorchester	St. George, SC	12	9/92	561,008	92%
Lancaster	Mountain View, AR	33	9/92	1,389,193	97%
Autumn Village	Harrison, AR	16	7/92	616,082	100%
Hardy	Hardy, AR	25	7/92	931,989	100%
Dawson	Dawson, GA	40	11/93	1,474,973	100%
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		1,048		\$43,703,957	
		=====		=====	

The average effective rental per unit is \$4,294 per year (\$358 per month).

Item 2. Properties (continued):

A summary of the book value of the fixed assets of the properties at December 31, 2005, 2004 and 2003 is as follows:

	12/31/05		
	SERIES 2	SERIES 3	SERIES 4
Land	\$ 1,012,180	\$ 985,546	\$ 1,188,112
Land Improvements	153,721	131,281	222,427
Buildings	26,439,200	25,661,272	31,384,891
Furniture and Fixtures	975,046	1,593,479	1,814,832
Construction in Progress	38,604	0	0
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Properties, at Cost	28,618,751	28,371,578	34,610,262
Less: Accum.Depreciation	13,623,386	16,335,525	15,441,345
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Properties, Net	\$ 14,995,365	\$ 12,036,053	\$ 19,168,917
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	SERIES 5	SERIES 6	TOTAL
Land	\$ 1,451,551	\$ 1,709,391	\$ 6,346,780
Land Improvements	159,501	556,191	1,223,121
Buildings	36,202,243	39,024,120	158,711,726
Furniture and Fixtures	1,814,555	2,414,255	8,612,167
Construction in Progress	0	0	38,604
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Properties, at Cost	39,627,850	43,703,957	174,932,398
Less: Accum.Depreciation	17,923,547	18,360,632	81,684,435
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Properties, Net	\$ 21,704,303	\$ 25,343,325	\$ 93,247,963
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	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
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Properties, at Cost	28,527,836	28,251,449	34,459,094
Less: Accum.Depreciation	12,747,926	15,378,450	14,409,096
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Properties, Net	\$ 15,779,910	\$ 12,872,999	\$ 20,049,998
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	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
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Properties, at Cost	39,547,548	44,755,037	175,540,964
Less: Accum.Depreciation	16,798,175	17,672,479	77,006,126
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Properties, Net	\$ 22,749,373	\$ 27,082,558	\$ 98,534,838
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	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
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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
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Properties, at Cost	40,380,333	44,625,557	176,065,066
Less: Accum. Depreciation	15,887,639	16,310,634	71,856,929
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Properties, Net	\$ 24,492,694	\$ 28,314,923	\$104,208,137
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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, 2006, 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.

(b) Approximate Number of Equity Security Holders:

<u>Title of Class</u>	<u>Number of Holders</u> <u>as of March 31, 2006</u>
Beneficial Assignee Certificates	2,571
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:					
SERIES 2	2006	2005	2004	2003	2002
	----	----	----	----	----
Total Revenues	\$ 7,263	\$ 13,938	\$ 12,820	\$ 12,665	\$ 10,860
Net Loss	(156,399)	(97,520)	(92,200)	(85,230)	(99,198)
Equity in Losses of Project Partnerships	(32,092)	(10,911)	(8,484)	(17,624)	(43,931)
Total Assets	316,805	394,306	445,532	523,794	575,947
Investments In Project Partnerships	0	34,391	47,597	58,381	78,301
Per BAC: (A)					
Tax Credits	.14	.14	.14	2.79	64.12
Portfolio Income	4.74	4.18	5.18	7.31	11.87
Passive Loss	(129.62)	(142.06)	(157.55)	(146.95)	(148.48)
Net Loss	(25.23)	(15.73)	(14.88)	(13.75)	(16.00)
FOR THE YEARS ENDED MARCH 31,:					
SERIES 3	2006	2005	2004	2003	2002
	----	----	----	----	----
Total Revenues	\$ 22,861	\$ 18,781	\$ 22,801	\$ 21,167	\$ 19,990
Net Loss	(108,278)	(77,647)	(77,243)	(82,729)	(80,062)
Equity in Losses of Project Partnerships	0	0	(5,137)	(25,505)	(34,441)
Total Assets	294,987	329,653	344,724	405,777	465,530
Investments In Project Partnerships	0	0	0	6,633	34,601
Per BAC: (A)					
Tax Credits	0	0	.17	1.38	6.22
Portfolio Income	6.85	5.78	6.54	7.92	13.83
Passive Loss	(137.15)	(147.47)	(159.39)	(137.28)	(154.72)
Net Loss	(19.65)	(14.09)	(14.02)	(15.01)	(14.53)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 4	2006	2005	2004	2003	2002
	----	----	----	----	----
Total Revenues	\$ 18,473	\$ 16,181	\$ 27,960	\$ 14,116	\$ 15,207
Net Loss	(138,304)	(102,967)	(98,159)	(160,313)	(185,366)
Equity in Losses of Project Partnerships	0	0	(8,763)	(77,657)	(118,314)
Total Assets	396,889	445,208	472,775	536,633	663,983
Investments In Project Partnerships Per BAC: (A)	0	0	0	12,279	96,741
Tax Credits Portfolio Income	1.22	.21	1.22	2.98	82.68
Passive Loss	5.99	5.11	4.16	8.48	12.51
Net Loss	(150.52)	(140.52)	(134.34)	(147.73)	(149.99)
	(19.80)	(14.74)	(14.05)	(22.95)	(26.54)

FOR THE YEARS ENDED MARCH 31,:

SERIES 5	2006	2005	2004	2003	2002
	----	----	----	----	----
Total Revenues	\$ 22,819	\$ 27,663	\$ 16,981	\$ 20,909	\$ 21,532
Net Income(Loss)	(208,790)	15,153	(265,039)	(261,993)	(268,277)
Equity in Losses of Project Partnerships	(22,512)	(26,110)	(133,705)	(159,492)	(189,327)
Total Assets	508,067	773,331	827,194	1,073,840	1,298,281
Investments In Project Partnerships Per BAC: (A)	151,630	202,405	229,630	376,275	550,146
Tax Credits Portfolio Income	0	2.33	8.66	54.70	153.83
Passive Loss	5.79	5.39	4.81	6.71	12.75
Net Income(Loss)	(112.76)	(151.09)	(148.50)	(136.53)	(145.76)
	(23.99)	(6.71)	(30.45)	(30.10)	(30.83)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 6	2006	2005	2004	2003	2002
	----	----	----	----	----
Total Revenues	\$ 26,354	\$ 32,039	\$ 21,129	\$ 16,919	\$ 17,654
Net Loss	(342,258)	(198,709)	(294,767)	(334,594)	(407,763)
Equity in Losses of Project Partnerships					
	(25,699)	(65,236)	(148,498)	(209,950)	(306,042)
Total Assets	914,235	1,374,037	1,467,978	1,731,924	2,016,612
Investments In Project Partnerships					
	372,285	781,147	858,488	1,024,672	1,257,026
Per BAC: (A)					
Tax Credits	0	3.81	15.16	129.74	167.27
Portfolio					
Income	7.33	5.34	5.41	7.48	11.24
Passive Loss	(96.72)	(99.58)	(109.10)	(115.70)	(127.50)
Net Loss	(42.09)	(19.47)	(28.88)	(32.78)	(39.95)

(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

This item should be read in conjunction with the financial statements and other items contained elsewhere in this report.

The Managing General Partner monitors developments in the area of legal and regulatory compliance. For example, the Sarbanes-Oxley Act of 2002 mandates or suggests additional compliance measures with regard to governance, disclosure, audit and other areas. In light of these changes, Gateway expects that it will incur higher expenses related to compliance.

### 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, 2006, March 31, 2005 and March 31, 2004. The General and Administrative expenses - General Partner, Third Party Professional Fees, and General and Administrative expenses - Other for the year ended March 31, 2006 have increased as compared to March 31, 2005 due to higher administrative costs and certain real estate valuation expenses incurred by Gateway during the year-ended March 31, 2006. These expenses for the year-ended March 31, 2005 were comparable to those incurred during the year-ended March 31, 2004.

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.

Series 2 - Gateway closed this series on September 14, 1990 after receiving \$6,136,000 from 375 Assignees. As of March 31, 2006, the series had invested \$4,524,678 in 22 Project Partnerships located in 10 states containing 724 apartment units. Average occupancy of the Project Partnerships was 94% at December 31, 2005.

Equity in Losses of Project Partnerships increased from \$8,484 for the year ended March 31, 2004 to \$10,911 for the year ended March 31, 2005 and to \$32,092 for the year ended March 31, 2006. As presented in Note 5, Gateway's share of net loss decreased from \$747,194 for the year ended March 31, 2004 to \$679,662 for the year ended March 31, 2005 and to \$637,400 for the year ended March 31, 2006. Suspended Losses were \$738,710 for the year ended March 31, 2004, \$668,751 for the year ended March 31, 2005 and \$605,308 for the year ended March 31, 2006. 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 \$865,601, \$869,716, and \$875,459 for the years ended December 31, 2003, 2004, and 2005 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, 2006, the Series had \$250,529 of short-term investments (Cash and Cash Equivalents). It also had \$66,276 in Zero Coupon Treasuries with annual maturities providing \$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 \$156,399 for the year ending March 31, 2006. However, after adjusting for Equity in Losses of Project Partnerships of \$32,092 and the changes in operating assets and liabilities, net cash used in operating activities was \$56,900. Cash provided by investing activities totaled \$72,425, consisting of \$8,863 in cash distributions from the Project Partnerships and \$63,562 from matured Zero Coupon Treasuries.

Subsequent to Gateway's year end, one of the Project Partnerships, Lewiston Country Estates, was actively listed for sale on a commercial marketing website.

Series 3 - Gateway closed this series on December 13, 1990 after receiving \$5,456,000 from 398 Assignees. As of March 31, 2006 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 95% as of December 31, 2005.

Equity in Losses of Project Partnerships decreased from \$5,137 for the year ended March 31, 2004 to \$0 for the years ended March 31, 2005 and 2006. As presented in Note 5, Gateway's share of net loss increased from \$704,663 for the year ended March 31, 2004 to \$727,644 for the year ended March 31, 2005 and decreased to \$595,587 for the year ended March 31, 2006. Suspended Losses increased from \$699,526 for the year ended March 31, 2004 to \$727,644 for the year ended March 31, 2005 and decreased to \$595,587 for the year ended March 31, 2006. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$983,259, \$973,367 and \$965,926 for the years ended December 31, 2003, 2004 and 2005, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2006, the Series had \$236,035 of short-term investments (Cash and Cash Equivalents). It also had \$58,952 in Zero Coupon Treasuries with annual maturities providing \$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 \$108,278 for the year ended March 31, 2006. However, after adjusting the changes in operating assets and liabilities, net cash used in operating activities was \$61,909. Cash provided by investing activities totaled \$79,397, consisting of \$22,861 in cash distributions received from the Project Partnerships and \$56,536 from matured Zero Coupon Treasuries.

Subsequent to Gateway's year-end, two of the Project Partnerships, Elkhart Apartments and Southwood Apartments, were actively listed for sale on a commercial marketing website.

Series 4 - Gateway closed this series on May 31, 1991 after receiving \$6,915,000 from 465 Assignees. As of March 31, 2006, 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 95% at December 31, 2005.

Equity in Losses of Project Partnerships decreased from \$8,763 for the year ended March 31, 2004 to \$0 for the years ended March 31, 2005 and 2006. As presented in Note 5, Gateway's share of net loss increased from \$732,427 for the year ended March 31, 2004 to \$806,547 for the year ended March 31, 2005 and decreased to \$684,436 for the year ended March 31, 2006. Suspended Losses increased from \$723,664 for the year ended March 31, 2004 to \$806,547 for the year ended March 31, 2005 and decreased to \$684,436 for the year ended March 31, 2006. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,045,416, \$1,045,249 and \$1,044,298 for the years ended December 31, 2003, 2004 and 2005, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2006, the Series had \$322,204 of short-term investments (Cash and Cash Equivalents). It also had \$74,685 in Zero Coupon Treasuries with annual maturities providing \$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 \$138,304 for the year ended March 31, 2006. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was \$72,344. Cash provided by investing activities totaled \$90,101, consisting of \$18,473 in cash distributions from the Project Partnerships and \$71,628 from matured Zero Coupon Treasuries.

Subsequent to Gateway's year-end, two of the Project Partnerships, St. Joseph and Rural Development, were actively listed for sale on a commercial marketing website.

Series 5 - Gateway closed this series on October 11, 1991 after receiving \$8,616,000 from 535 Assignees. As of March 31, 2006, the series had invested \$6,010,273 in 35 Project Partnerships located in 12 states containing 1,080 apartment units. Average occupancy of the Project Partnerships was 95% as of December 31, 2005.

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 \$161,888. Gateway received sale proceeds totaling \$157,127, which were distributed to the Limited Partners at \$18.24 per limited partnership unit during fiscal year 2006.

Equity in Losses of Project Partnerships decreased from \$133,705 for the year ended March 31, 2004 to \$26,110 for the year ended March 31, 2005 and to \$22,512 for the year ended March 31, 2006. As presented in Note 5, Gateway's share of net loss decreased from \$1,060,170 for the year ended March 31, 2004 to \$772,904 for the year ended March 31, 2005 and to \$724,141 for the year ended March 31, 2006. Suspended losses decreased from \$926,465 for the year ended March 31, 2004 to \$746,794 for the year ended March 31, 2005 and to \$701,629 for the year ended March 31, 2006. These losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,276,928, \$1,247,246 and \$1,203,506 for the years ended December 31, 2003, 2004 and 2005, respectively.) Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2006, the Series had \$262,439 of short-term investments (Cash and Cash Equivalents). It also had \$93,086 in Zero Coupon Treasuries with annual maturities providing \$93,075 in fiscal year 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of \$208,790 for the year ended March 31, 2006. However, after adjusting for Equity in Losses of Project Partnerships of \$22,512 and the changes in operating assets and liabilities, net cash used in operating activities was \$90,492. Cash provided by investing activities totaled \$114,571 consisting of \$25,298 in cash distributions from the Project Partnerships and \$89,273 from matured Zero Coupon Treasuries.

Subsequent to Gateway's year-end, four of the Project Partnerships, Seymour, Effingham, Fox Ridge, and Redmont II, were actively listed for sale on a commercial marketing website.

Series 6 - Gateway closed this series on March 11, 1992 after receiving \$10,105,000 from 625 Assignees. As of March 31, 2006, the series had invested \$7,250,034 in 37 Project Partnerships located in 19 states containing 1,048 apartment units. Average occupancy of the Project Partnerships was 96% as of December 31, 2005.

One of the Project Partnerships, Mountain Crest, L.P. sold its property during August 2005. Gateway received sale proceeds totaling \$225,574 which were distributed to the Limited Partners, less \$1,500 in legal expenses, at \$22.17 per limited partnership unit during the quarter ended December 31, 2005. The remaining \$46 of this distribution is shown as a Distribution Payable on the Balance Sheet. As disclosed on the Statement of Operations, Gateway recognized a gain on this sale of \$224,074, based on the total sale proceeds, less legal expenses, and the net investment value of the sold property.

Equity in Losses of Project Partnerships decreased from \$148,498 for the year ended March 31, 2004 to \$65,236 for the year ended March 31, 2005 and to \$25,699 for the year ended March 31, 2006. As presented in Note 5, Gateway's share of net loss decreased from \$698,909 for the year ended March 31, 2004 to \$673,713 for the year ended March 31, 2005 and to \$590,957 for the year ended March 31, 2006. Suspended losses increased from \$550,411 for the year ended March 31, 2004 to \$608,477 for the

year ended March 31, 2005 and to \$565,258 for the year ended March 31, 2006. These

losses would reduce the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,357,379, \$1,367,028 and \$1,293,203 for the years ended December 31, 2003, 2004 and 2005, respectively.) 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. For the fiscal year ended March 31, 2006, impairment expense of \$343,241 was recognized. There was no impairment expense in either fiscal year 2005 or fiscal year 2004. Overall, management believes these Project Partnerships are operating as expected and are generating tax credits which meet projections.

At March 31, 2006, the Series had \$463,580 of short-term investments (Cash and Cash Equivalents). It also had \$78,370 in Zero Coupon Treasuries with annual maturities providing \$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 \$342,258 for the year ended March 31, 2006. However, after adjusting for Equity in Losses of Project Partnerships, the gain on sale of partnership assets, the impairment of investments in Project Partnerships, and the changes in operating assets and liabilities, net cash used in operating activities was \$87,492. Cash provided by investing activities totaled \$331,849, consisting of cash distributions from the Project Partnerships, matured Zero Coupon Treasuries, and the sale proceeds from the sale of the Project Partnership referenced above. Cash used for financing activities consisted of distributions paid to the Limited Partners and related distribution expenses of the sale of the Project Partnership.

Disclosure of Contractual Obligations

Contractual Obligations	Total	Payment due by period			
		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	3,401,651 (1)	312,171	0	1,318,192	1,771,288

(1) The Other Long-Term Liabilities represent the asset management fees owed to the General Partners as of March 31, 2006. 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 7A. Quantitative and Qualitative Disclosures about Market Risk.

As a small business issuer, no information is required.

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 sheet of Gateway Tax Credit Fund II, Ltd. (a Florida Limited Partnership) as of March 31, 2006 and the related statements of operations, partners' equity (deficit), and cash flows for the year ended March 31, 2006. These 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 Gateway Tax Credit Fund II, Ltd. as of March 31, 2005 and for each of the two years in the period ended March 31, 2005, were audited by other auditors whose report dated September 8, 2005, expressed an unqualified opinion on those statements.

We conducted our audit 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, the 2006 financial statements referred to above present fairly, in all material respects, the financial position of Gateway Tax Credit Fund II, Ltd. at March 31, 2006, and the results of its operations and its cash flows for the year ended March 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed under Item 15(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, 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/ Reznick Group, P.C.  
REZNICK GROUP, P.C.

Atlanta, Georgia  
July 13, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Gateway Tax Credit Fund II Ltd.

We have audited the accompanying balance sheet 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 the related statements of operations, partners' equity (deficit), and cash flows of each of the five Series for the years ended March 31, 2005 and March 31, 2004, respectively. These 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 sheet as of March 31, 2005 and net losses included on the statements of operations for each of the two years ended March 31, 2005 and March 31, 2004 are:

	Investment March 31, ----- 2005 ----	Partnership Loss Year Ended March 31, ----- 2005                      2004 -----	
Series 2	\$     0	\$     0	\$     0
Series 3	0	0	0
Series 4	0	0	0
Series 5	0	0	0
Series 6	4,200	5,938	3,291

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 the results of their operations and their cash flows for the years ended March 31, 2005 and March 31, 2004, respectively, in conformity with accounting principles generally accepted in the United States of America.

/s/ Spence, Marston, Bunch, Morris & Co.  
SPENCE, MARSTON, BUNCH, MORRIS & CO.  
Certified Public Accountants

Clearwater, Florida  
September 8, 2005

PART I - Financial Information  
Item 1. Financial Statements

GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2006 AND 2005

SERIES 2	2006	2005
	----	----
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 250,529	\$ 235,004
Investments in Securities	66,276	63,596
	-----	-----
Total Current Assets	316,805	298,600
Investments in Securities	0	61,315
Investments in Project Partnerships, Net	0	34,391
	-----	-----
Total Assets	\$ 316,805	\$ 394,306
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY (Deficit)</b>		
Current Liabilities:		
Payable to General Partners	\$ 48,304	\$ 45,045
Other Payable	8,030	0
	-----	-----
Total Current Liabilities	56,334	45,045
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	599,253	531,644
	-----	-----
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, 2006 and 2005 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, 2006 and 2005, issued and outstanding		
General Partners	(281,595)	(126,760)
	(57,187)	(55,623)
	-----	-----
Total Partners' Equity (Deficit)	(338,782)	(182,383)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 316,805	\$ 394,306
	=====	=====

See accompanying notes to financial statements.

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

BALANCE SHEET

MARCH 31, 2006 AND 2005

SERIES 3	2006	2005
	----	----
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 236,035	\$ 218,547
Investments in Securities	58,952	56,568
	-----	-----
Total Current Assets	294,987	275,115
Investments in Securities	0	54,538
Investments in Project Partnerships, Net	0	0
	-----	-----
Total Assets	\$ 294,987	\$ 329,653
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY (Deficit)</b>		
Current Liabilities:		
Payable to General Partners	\$ 52,905	\$ 49,309
Other Payable	7,300	0
	-----	-----
Total Current Liabilities	60,205	49,309
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	493,156	430,440
	-----	-----
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, 2006 and 2005		
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, 2006 and 2005, issued		
and outstanding		
	(207,975)	(100,780)
General Partners	(50,399)	(49,316)
	-----	-----
Total Partners' Equity (Deficit)	(258,374)	(150,096)
	-----	-----
Total Liabilities and Partners' Equity	\$ 294,987	\$ 329,653
(Deficit)	=====	=====

See accompanying notes to financial statements.

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

BALANCE SHEET

MARCH 31, 2006 AND 2005

SERIES 4	2006 ----	2005 ----
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 322,204	\$ 304,447
Investments in Securities	74,685	71,666
	-----	-----
Total Current Assets	396,889	376,113
Investments in Securities	0	69,095
Investments in Project Partnerships, Net	0	0
	-----	-----
Total Assets	\$ 396,889	\$ 445,208
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY (Deficit)</b>		
Current Liabilities:		
Payable to General Partners	\$ 59,221	\$ 54,471
Other Payable	8,030	0
	-----	-----
Total Current Liabilities	67,251	54,471
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	647,438	570,233
	-----	-----
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, 2006 and 2005 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, 2006 and 2005, issued and outstanding		
	(253,967)	(117,046)
General Partners	(63,833)	(62,450)
	-----	-----
Total Partners' Equity (Deficit)	(317,800)	(179,496)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 396,889	\$ 445,208
	=====	=====

See accompanying notes to financial statements.

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

BALANCE SHEET

MARCH 31, 2006 AND 2005

SERIES 5	2006 ----	2005 ----
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 262,439	\$ 238,360
Restricted Cash	0	157,126
Accounts Receivable - Other	912	0
Investments in Securities	93,086	89,322
	-----	-----
Total Current Assets	356,437	484,808
Investments in Securities	0	86,118
Investments in Project Partnerships, Net	151,630	202,405
	-----	-----
Total Assets	\$ 508,067	\$ 773,331
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY (Deficit)</b>		
Current Liabilities:		
Payable to General Partners	\$ 77,770	\$ 72,789
Distribution Payable	0	157,126
Other Payable	3,650	700
	-----	-----
Total Current Liabilities	81,420	230,615
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	511,577	418,856
	-----	-----
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, 2006 and 2005 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, 2006 and 2005, issued and outstanding		
General Partners	(82,842)	123,860
	(2,088)	0
	-----	-----
Total Partners' Equity (Deficit)	(84,930)	123,860
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 508,067	\$ 773,331
	=====	=====

See accompanying notes to financial statements.

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

BALANCE SHEET

MARCH 31, 2006 AND 2005

SERIES 6	2006	2005
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 463,580	\$ 444,751
Accounts Receivable - Other	0	700
Investments in Securities	78,370	74,664
	-----	-----
Total Current Assets	541,950	520,115
Investments in Securities	0	72,775
Investments in Project Partnerships, Net	372,285	781,147
	-----	-----
Total Assets	\$ 914,235	\$1,374,037
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 73,971	\$ 68,579
Distribution Payable	46	0
Other Payable	0	500
	-----	-----
Total Current Liabilities	74,017	69,079
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	838,056	736,464
	-----	-----
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, 2006 and 2005		
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, 2006 and 2005, issued		
and outstanding		
General Partners	2,162	651,535
	0	(83,041)
	-----	-----
Total Partners' Equity (Deficit)	2,162	568,494
	-----	-----
Total Liabilities and Partners' Equity	\$ 914,235	\$1,374,037
(Deficit)	=====	=====

See accompanying notes to financial statements.

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

BALANCE SHEET

MARCH 31, 2006 AND 2005

TOTAL SERIES 2 - 6	2006 ----	2005 ----
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$1,534,787	\$1,441,109
Restricted Cash	0	157,126
Accounts Receivable - Other	912	700
Investments in Securities	371,369	355,816
	-----	-----
Total Current Assets	1,907,068	1,954,751
Investments in Securities	0	343,841
Investments in Project Partnerships, Net	523,915	1,017,943
	-----	-----
Total Assets	\$2,430,983	\$3,316,535
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY (Deficit)</b>		
Current Liabilities:		
Payable to General Partners	\$ 312,171	\$ 290,193
Distribution Payable	46	157,126
Other Payable	27,010	1,200
	-----	-----
Total Current Liabilities	339,227	448,519
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	3,089,480	2,687,637
	-----	-----
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, 2006 and 2005 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, 2006 and 2005, issued and outstanding		
General Partners	(824,217)	430,809
	(173,507)	(250,430)
	-----	-----
Total Partners' Equity (Deficit)	(997,724)	180,379
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$2,430,983	\$3,316,535
	=====	=====

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	2006 -----	2005 -----	2004 -----
Revenues:			
Distribution Income	\$ 7,263	\$ 13,938	\$ 12,820
Total Revenues	----- 7,263 -----	----- 13,938 -----	----- 12,820 -----
Expenses:			
Asset Management Fee-General Partner	67,609	67,609	67,822
General and Administrative:			
General Partner	47,681	32,074	32,065
Third Party Professional Fees	20,804	4,181	4,680
Other	7,747	7,749	5,518
Amortization	699	697	698
Total Expenses	----- 144,540 -----	----- 112,310 -----	----- 110,783 -----
Loss Before Equity in Losses of Project Partnerships and Other Income	(137,277)	(98,372)	(97,963)
Equity in Losses of Project Partnerships	(32,092)	(10,911)	(8,484)
Interest Income	12,970	11,763	14,247
Net Loss	----- \$ (156,399) =====	----- \$ (97,520) =====	----- \$ (92,200) =====
Allocation of Net Loss:			
Assignees	\$ (154,835)	\$ (96,545)	\$ (91,278)
General Partners	(1,564)	(975)	(922)
	----- \$ (156,399) =====	----- \$ (97,520) =====	----- \$ (92,200) =====
Net Loss Per Beneficial Assignee Certificate	\$ (25.23)	\$ (15.73)	\$ (14.88)
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	2006 ----	2005 ----	2004 ----
<b>Revenues:</b>			
Distribution Income	\$ 22,861	\$ 18,781	\$ 22,801
	-----	-----	-----
Total Revenues	22,861	18,781	22,801
	-----	-----	-----
<b>Expenses:</b>			
Asset Management Fee-General Partner	62,716	62,717	63,022
General and Administrative:			
General Partner	49,848	33,531	33,523
Third Party Professional Fees	22,175	4,371	4,879
Other	8,430	6,345	5,611
Amortization	0	0	516
	-----	-----	-----
Total Expenses	143,169	106,964	107,551
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(120,308)	(88,183)	(84,750)
Equity in Losses of Project Partnerships	0	0	(5,137)
Interest Income	12,030	10,536	12,644
	-----	-----	-----
Net Loss	\$(108,278)	\$ (77,647)	\$ (77,243)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$(107,195)	\$ (76,871)	\$ (76,471)
General Partners	(1,083)	(776)	(772)
	-----	-----	-----
	\$(108,278)	\$ (77,647)	\$ (77,243)
	=====	=====	=====
Net Loss Per Beneficial			
Assignee Certificate	\$ (19.65)	\$ (14.09)	\$ (14.02)
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	2006	2005	2004
	-----	-----	-----
Revenues:			
Distribution Income	\$ 18,473	\$ 16,181	\$ 27,960
	-----	-----	-----
Total Revenues	18,473	16,181	27,960
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	77,205	77,205	77,448
General and Administrative:			
General Partner	62,853	42,279	42,266
Third Party Professional Fees	23,071	5,511	6,236
Other	10,080	7,749	6,862
Amortization	0	0	671
	-----	-----	-----
Total Expenses	173,209	132,744	133,483
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(154,736)	(116,563)	(105,523)
Equity in Losses of Project Partnerships	0	0	(8,763)
Interest Income	16,432	13,596	16,127
	-----	-----	-----
Net Loss	\$(138,304)	\$(102,967)	\$ (98,159)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$(136,921)	\$(101,937)	\$ (97,177)
General Partners	(1,383)	(1,030)	(982)
	-----	-----	-----
	\$(138,304)	\$(102,967)	\$ (98,159)
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (19.80)	\$ (14.74)	\$ (14.05)
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	2006 -----	2005 -----	2004 -----
Revenues:			
Distribution Income	\$ 22,819	\$ 27,663	\$ 16,981
	-----	-----	-----
Total Revenues	22,819	27,663	16,981
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	92,722	92,722	95,180
General and Administrative:			
General Partner	77,443	52,484	52,470
Third Party Professional Fees	17,978	8,841	7,838
Other	12,202	8,947	8,513
Amortization	25,784	2,005	4,560
	-----	-----	-----
Total Expenses	226,129	164,999	168,561
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(203,310)	(137,336)	(151,580)
Equity in Losses of Project Partnerships	(22,512)	(26,110)	(133,705)
Gain on Sale of Partnership Assets	0	161,888	0
Interest Income	17,032	16,711	20,246
	-----	-----	-----
Net Income (Loss)	\$ (208,790)	\$ 15,153	\$ (265,039)
	=====	=====	=====
Allocation of Net Income (Loss):			
Assignees	(206,702)	(57,812)	\$ (262,389)
General Partners	(2,088)	72,965	(2,650)
	-----	-----	-----
	\$ (208,790)	\$ 15,153	\$ (265,039)
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (23.99)	\$ (6.71)	\$ (30.45)
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	2006	2005	2004
	----	----	----
Revenues:			
Distribution Income	\$ 26,354	\$ 32,039	\$ 21,129
	-----	-----	-----
Total Revenues	26,354	32,039	21,129
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	101,592	104,509	104,953
General and Administrative:			
General Partner	81,777	55,400	55,384
Third Party Professional Fees	13,008	7,471	9,386
Other	13,194	10,328	9,221
Amortization	39,001	6,106	8,403
Impairment of Investment in Project Partnerships	343,241	0	0
	-----	-----	-----
Total Expenses	591,813	183,814	187,347
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(565,459)	(151,775)	(166,218)
Equity in Losses of Project Partnerships	(25,699)	(65,236)	(148,498)
Gain on Sale of Partnership Assets	224,074	0	0
Interest Income	24,826	18,302	19,949
	-----	-----	-----
Net Loss	\$(342,258)	\$(198,709)	\$(294,767)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$(425,299)	\$(196,722)	\$(291,819)
General Partners	83,041	(1,987)	(2,948)
	-----	-----	-----
	\$(342,258)	\$(198,709)	\$(294,767)
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (42.09)	\$ (19.47)	\$ (28.88)
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	2006 ----	2005 ----	2004 ----
Revenues:			
Distribution Income	\$ 97,770	\$ 108,602	\$ 101,691
Total Revenues	97,770	108,602	101,691
Expenses:			
Asset Management Fee-General Partner	401,844	404,762	408,425
General and Administrative:			
General Partner	319,602	215,768	215,708
Third Party Professional Fees	97,036	30,375	33,019
Other	51,653	41,118	35,725
Amortization	65,484	8,808	14,848
Impairment of Investment in Project Partnerships	343,241	0	0
Total Expenses	1,278,860	700,831	707,725
Loss Before Equity in Losses of Project Partnerships and Other Income	(1,181,090)	(592,229)	(606,034)
Equity in Losses of Project Partnerships	(80,303)	(102,257)	(304,587)
Gain on Sale of Partnership Assets	224,074	161,888	0
Interest Income	83,290	70,908	83,213
Net Loss	\$ (954,029)	\$ (461,690)	\$ (827,408)
Allocation of Net Loss:			
Assignees	\$(1,030,952)	\$ (529,887)	\$ (819,134)
General Partners	76,923	68,197	(8,274)
	\$ (954,029)	\$ (461,690)	\$ (827,408)

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, 2006, 2005 AND 2004

SERIES 2	Assignees -----	General Partners -----	Total -----
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)
Net Loss	(154,835)	(1,564)	(156,399)
	-----	-----	-----
Balance at March 31, 2006	\$ (281,595)	\$ (57,187)	\$ (338,782)
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 3	Assignees -----	General Partners -----	Total -----
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)
Net Loss	(107,195)	(1,083)	(108,278)
	-----	-----	-----
Balance at March 31, 2006	\$ (207,975)	\$ (50,399)	\$ (258,374)
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 4	Assignees -----	General Partners -----	Total -----
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)
Net Loss	(136,921)	(1,383)	(138,304)
	-----	-----	-----
Balance at March 31, 2006	\$ (253,967)	\$ (63,833)	\$ (317,800)
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 5	Assignees -----	General Partners -----	Total -----
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 (Loss)	(57,812)	72,965	15,153
Distributions	(157,126)	0	(157,126)
	-----	-----	-----
Balance at March 31, 2005	123,860	0	123,860
Net Loss	(206,702)	(2,088)	(208,790)
	-----	-----	-----
Balance at March 31, 2006	\$ (82,842)	\$ (2,088)	\$ (84,930)
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 6	<u>Assignees</u>	<u>General Partners</u>	<u>Total</u>
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
Net Income (Loss)	(425,299)	83,041	(342,258)
Distributions	(224,074)	0	(224,074)
Balance at March 31, 2006	\$ 2,162	\$ 0	\$ 2,162

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, 2006, 2005 AND 2004

TOTAL SERIES 2 - 6	Assignees -----	General Partners -----	Total -----
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 Income (Loss)	(529,887)	68,197	(461,690)
Distributions	(157,126)	0	(157,126)
	-----	-----	-----
Balance at March 31, 2005	430,809	(250,430)	180,379
Net Income (Loss)	(1,030,952)	76,923	(954,029)
Distributions	(224,074)	0	(224,074)
	-----	-----	-----
Balance at March 31, 2006	\$ (824,217)	\$(173,507)	\$ (997,724)
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 2 -----	2006 ----	2005 ----	2004 ----
Cash Flows from Operating Activities:			
Net Loss	\$(156,399)	\$(97,520)	\$(92,200)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	699	697	698
Accreted Interest Income on Investments in Securities	(4,927)	(9,361)	(13,179)
Equity in Losses of Project Partnerships	32,092	10,911	8,484
Distributions Included in Other Income	(7,263)	(13,438)	(12,820)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	70,868	46,294	13,938
Increase in Other Payable	8,030	0	0
	-----	-----	-----
Net Cash Used in Operating Activities	(56,900)	(62,417)	(95,079)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	8,863	15,038	14,422
Redemption of Investment in Securities	63,562	61,299	58,586
	-----	-----	-----
Net Cash Provided by Investing Activities	72,425	76,337	73,008
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	15,525	13,920	(22,071)
Cash and Cash Equivalents at Beginning of Year	235,004	221,084	243,155
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 250,529	\$ 235,004	\$ 221,084
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 3 -----	2006 ----	2005 ----	2004 ----
Cash Flows from Operating Activities:			
Net Loss	\$(108,278)	\$ (77,647)	\$ (77,243)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	0	0	516
Accreted Interest Income on Investments in Securities	(4,382)	(8,327)	(11,722)
Equity in Losses of Project Partnerships	0	0	5,137
Distributions Included In Other Income	(22,861)	(18,781)	(22,801)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	66,312	62,576	16,190
Increase in Other Payable	7,300	0	0
	-----	-----	-----
Net Cash Used in Operating Activities	(61,909)	(42,179)	(89,923)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	22,861	18,781	23,780
Redemption of Investment in Securities	56,536	54,256	52,112
	-----	-----	-----
Net Cash Provided by Investing Activities	79,397	73,307	75,892
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	17,488	31,128	(14,031)
Cash and Cash Equivalents at Beginning of Year	218,547	187,419	201,450
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 236,035	\$ 218,547	\$ 187,419
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 4 -----	2006 ----	2005 ----	2004 ----
Cash Flows from Operating Activities:			
Net Loss	\$(138,304)	\$(102,967)	\$ (98,159)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	0	0	671
Accreted Interest Income on Investments in Securities	(5,552)	(10,549)	(14,851)
Equity in Losses of Project Partnerships	0	0	8,763
Distributions Included In Other Income	(18,473)	(16,173)	(27,960)
Changes in Operating Assets and Liabilities:			
Increase in Payable to General Partners	81,955	75,400	34,302
Increase in Other Payable	8,030	0	0
	-----	-----	-----
Net Cash Used in Operating Activities	(72,344)	(54,289)	(97,234)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	18,473	16,173	30,805
Redemption of Investment in Securities	71,628	69,078	66,018
	-----	-----	-----
Net Cash Provided by Investing Activities	90,101	85,251	96,823
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	17,757	30,962	(411)
Cash and Cash Equivalents at Beginning of Year	304,447	273,485	273,896
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 322,204	\$ 304,447	\$ 273,485
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 5 -----	2006 ----	2005 ----	2004 ----
Cash Flows from Operating Activities:			
Net Income (Loss)	\$(208,790)	\$ 15,153	\$(265,039)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:			
Amortization	25,784	2,005	4,560
Accreted Interest Income on Investments in Securities	(6,919)	(13,147)	(18,510)
Equity in Losses of Project Partnerships	22,512	26,110	133,705
Gain on Sale of Partnership Assets	0	(161,888)	0
Distributions Included In Other Income	(22,819)	(27,063)	(16,981)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(912)	0	0
Increase (Decrease) in Payable to General Partners	97,702	(69,716)	18,393
Increase in Other Payable	2,950	700	0
	-----	-----	-----
Net Cash Used in Operating Activities	(90,492)	(227,846)	(143,872)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	25,298	30,934	25,358
Redemption of Investment in Securities	89,273	86,098	82,286
	-----	-----	-----
Net Cash Provided by Investing Activities	114,571	117,032	107,644
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	24,079	(110,814)	(36,228)
Cash and Cash Equivalents at Beginning of Year	238,360	349,174	385,402
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 262,439	\$ 238,360	\$ 349,174
	=====	=====	=====

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, 2006, 2005 AND 2004

SERIES 6 -----	2006 ----	2005 ----	2004 ----
Cash Flows from Operating Activities:			
Net Loss	\$(342,258)	\$(198,709)	\$(294,767)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	39,001	6,106	8,403
Impairment of Investment in Project Partnerships	343,241	0	0
Accreted Interest Income on Investments in Securities	(9,931)	(14,483)	(18,286)
Equity in Losses of Project Partnerships	25,699	65,236	148,498
Gain on Sale of Partnership Assets	(224,074)	0	0
Distributions Included In Other Income	(26,354)	(32,039)	(21,129)
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	700	(700)	0
Increase in Payable to General Partners	106,984	104,268	30,821
Decrease (Increase) in Other Payables	(500)	500	0
	-----	-----	-----
Net Cash Used in Operating Activities	(87,492)	(69,821)	(146,460)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	27,275	38,038	30,412
Redemption of Investment in Securities	79,000	74,999	69,998
Proceeds from Sale of Project Partnership	225,574	0	0
	-----	-----	-----
Net Cash Provided by Investing Activities	331,849	113,037	100,410
	-----	-----	-----
Cash Flows from Financing Activities:			
Distributions Paid to Limited Partners	(224,028)	0	0
Expenses Related to Distributions	(1,500)	0	0
	-----	-----	-----
Net Cash Used in Financing Activities	(225,528)	0	0
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	18,829	43,216	(46,050)
Cash and Cash Equivalents at Beginning of Year	444,751	401,535	447,585
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 463,580	\$ 444,751	\$ 401,535
	=====	=====	=====

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, 2006, 2005 AND 2004

TOTAL SERIES 2 - 6	2006	2005	2004
-----	----	----	----
Cash Flows from Operating Activities:			
Net Loss	\$(954,029)	\$(461,690)	\$(827,408)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	65,484	8,808	14,848
Impairment of Investment in Project Partnerships	343,241	0	0
Accreted Interest Income on Investments in Securities	(31,711)	(55,867)	(76,548)
Equity in Losses of Project Partnerships	80,303	102,257	304,587
Gain on Sale of Partnership Assets	(224,074)	(161,888)	0
Distributions Included In Other Income	(97,770)	(108,602)	(101,691)
Changes in Operating Assets and Liabilities:			
Increase in Accounts Receivable	(212)	(700)	0
Increase in Payable to General Partners	423,821	218,822	113,644
Increase in Other Payable	25,810	1,200	0
	-----	-----	-----
Net Cash Used in Operating Activities	(369,137)	(457,660)	(572,568)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	102,770	120,072	124,777
Redemption of Investment in Securities	359,999	346,000	329,000
Proceeds from Sale of Project Partnership	225,574	0	0
	-----	-----	-----
Net Cash Provided by Investing Activities	688,343	466,072	453,777
	-----	-----	-----
Cash Flows from Financing Activities:			
Distributions Paid to Limited Partners	(224,028)	0	0
Expenses Related to Distributions	(1,500)	0	0
	-----	-----	-----
Net Cash Used in Financing Activities	(225,528)	0	0
	-----	-----	-----
Increase (Decrease) in Cash and Cash Equivalents	93,678	8,412	(118,791)
Cash and Cash Equivalents at Beginning of Year	1,441,109	1,432,697	1,551,488
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 1,534,787	\$ 1,441,109	\$ 1,432,697
	=====	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2006, 2005 AND 2004

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, 2006, 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, 2006. 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.

For the fiscal year ended March 31, 2006, Gateway changed the period over which the intangible acquisition fees and expenses are amortized. In all prior years, the period in which such intangible assets had been amortized was 35 years. In the fiscal year period ended March 31, 2006, this amortization period was changed to 15 years to better approximate the period over which the benefits of these investments are realized. As a result of this change in estimate, an additional amortization expense of \$23,779 for Series 5 and \$33,465 for Series 6, or a total of \$57,244 for all Series of Gateway, was recognized during the year-ended March 31, 2006, as compared to the amortization expense amount which would have been realized had the estimated amortization period not changed during the year. 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. Any cash distributions received from Project Partnerships which have a zero investment balance are accounted for as distribution income in the period the cash distribution is received by Gateway.

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. For the fiscal year ended March 31, 2006, impairment expense was recognized in the statement of operations in Series 6 in the total amount of \$343,241. There was no impairment expense in fiscal years 2005 or 2004. Refer to Note 5 - Investment in Project Partnerships for further details regarding the components of the Investment in Project Partnership balance.

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 for 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.

Variable Interest Entities

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" which was subsequently revised in December, 2003. 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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

(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 a 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.

Gateway holds variable interests in 141 VIEs, which consist of Project Partnerships, of which Gateway is not the primary beneficiary. Five of Gateway's Project Partnership investments were determined not to be VIEs. Gateway's maximum exposure to loss as a result of its involvement with unconsolidated VIEs is limited to Gateway's recorded investments in and receivables from those VIEs, which is approximately \$523,915 at March 31, 2006. 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.

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.

Investment in Securities

Gateway applies 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, certain 2005 and 2004 balances have been reclassified, where appropriate, to conform with the fiscal year 2006 financial statement presentation.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2006 Balance Sheet includes Investment in Securities consisting of U.S. Government Security Strips which represents their cost, plus accreted interest income of \$44,564 for Series 2, \$39,639 for Series 3, \$50,218 for Series 4, \$62,591 for Series 5 and \$49,854 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	\$ 66,183	\$ 66,276	\$ (93)
Series 3	58,849	58,952	(103)
Series 4	74,585	74,685	(100)
Series 5	92,932	93,086	(154)
Series 6	79,678	78,370	1,308

As of March 31, 2006, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
Due within 1 year	\$ 66,276	\$ 58,952	\$ 74,685
After 1 year through 5 years	0	0	0
Total Amount Carried on Balance Sheet	\$ 66,276	\$ 58,952	\$ 74,685

  

	Series 5	Series 6	Total
Due within 1 year	\$ 93,086	\$ 78,370	\$ 371,369
After 1 year through 5 years	0	0	0
Total Amount Carried on Balance Sheet	\$ 93,086	\$ 78,370	\$ 371,369

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, 2006, 2005 and 2004 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.

	2006	2005	2004
	-----	-----	-----
Series 2	\$ 67,609	\$ 67,609	\$ 67,822
Series 3	62,716	62,717	63,022
Series 4	77,205	77,205	77,448
Series 5	92,722	92,722	95,180
Series 6	101,592	104,509	104,953
	-----	-----	-----
Total	\$ 401,844	\$ 404,762	\$ 408,425
	=====	=====	=====

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.

	2006	2005	2004
	-----	-----	-----
Series 2	\$ 47,681	\$ 32,074	\$ 32,065
Series 3	49,848	33,531	33,523
Series 4	62,853	42,279	42,266
Series 5	77,443	52,484	52,470
Series 6	81,777	55,400	55,384
	-----	-----	-----
Total	\$319,602	\$215,768	\$215,708
	=====	=====	=====

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2006 and 2005 are as follows.

	March 31, 2006	March 31, 2005
	-----	-----
Series 2	\$ 647,557	\$ 576,689
Series 3	546,061	479,749
Series 4	706,659	624,704
Series 5	589,347	491,645
Series 6	912,027	805,043
	-----	-----
Total	\$3,401,651	\$2,977,830
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 2

As of March 31, 2006, 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, 2006	MARCH 31, 2005
	-----	-----
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)	(4,742,761)	(4,710,669)
Cumulative distributions received from Project Partnerships	(87,605)	(86,005)
	-----	-----
Investment in Project Partnerships before Adjustment	(305,688)	(271,996)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	390,838	390,838
Accumulated amortization of acquisition fees and expenses	(85,150)	(84,451)
	-----	-----
Investments in Project Partnerships	\$ 0	\$ 34,391
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$5,632,737 for the year ended March 31, 2006 and cumulative suspended losses of \$5,027,429 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 3

As of March 31, 2006, 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, 2006	MARCH 31, 2005
	-----	-----
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 \$6,446,347 for the year ended March 31, 2006 and cumulative suspended losses of \$5,850,760 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 4

As of March 31, 2006, 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, 2006	MARCH 31, 2005
	-----	-----
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 \$5,604,678 for the year ended March 31, 2006 and cumulative suspended losses of \$4,920,242 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 5

As of March 31, 2006, 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, 2006	MARCH 31, 2005
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 6,010,273	\$ 6,010,273
Cumulative equity in losses of Project Partnerships (1)	(6,127,206)	(6,104,694)
Cumulative distributions received from Project Partnerships	(199,089)	(196,610)
	-----	-----
Investment in Project Partnerships before Adjustment	(316,022)	(291,031)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	632,419	632,419
Accumulated amortization of acquisition fees and expenses	(164,767)	(138,983)
	-----	-----
Investments in Project Partnerships	\$ 151,630	\$ 202,405
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$6,332,840 for the year ended March 31, 2006 and cumulative suspended losses of \$5,631,211 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 6

As of March 31, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 37 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, 2006	MARCH 31, 2005
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 7,250,034	\$ 7,462,215
Cumulative equity in losses of Project Partnerships (1)	(6,845,853)	(7,044,277)
Cumulative distributions received from Project Partnerships	(218,311)	(219,390)
	-----	-----
Investment in Project Partnerships before Adjustment	185,870	198,548
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	768,912	785,179
Accumulated amortization of acquisition fees and expenses	(239,256)	(202,580)
Impairment of Investment in Project Partnerships	(343,241)	0
	-----	-----
Investments in Project Partnerships	\$ 372,285	\$ 781,147
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$4,294,234 for the year ended March 31, 2006 and cumulative suspended losses of \$3,911,618 for the year ended March 31, 2005 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, 2006	MARCH 31, 2005
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 26,626,217	\$ 26,838,398
Cumulative equity in losses of Project Partnerships (1)	(27,118,203)	(27,262,023)
Cumulative distributions received from Project Partnerships	(794,241)	(791,241)
	-----	-----
Investment in Project Partnerships before Adjustment	(1,286,227)	(1,214,866)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,846,882	2,863,149
Accumulated amortization of acquisition fees and expenses	(693,499)	(630,340)
Impairment of Investment in Project Partnerships	(343,241)	0
	-----	-----
Investments in Project Partnerships	\$ 523,915	\$ 1,017,943
	=====	=====

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	2005	2004	2003
	----	----	----
DECEMBER 31,			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 2,097,770	\$ 1,968,967	\$ 1,968,746
Investment properties, net	14,995,365	15,779,910	16,592,073
Other assets	770	770	12,876
	-----	-----	-----
Total assets	\$17,093,905	\$17,749,647	\$18,573,695
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 583,236	\$ 483,214	\$ 503,026
Long-term debt	22,653,237	22,746,522	22,832,568
	-----	-----	-----
Total liabilities	23,236,473	23,229,736	23,335,594
	-----	-----	-----
Partners' equity			
Limited Partner	(5,999,431)	(5,354,226)	(4,660,463)
General Partners	(143,137)	(125,863)	(101,436)
	-----	-----	-----
Total Partners' equity	(6,142,568)	(5,480,089)	(4,761,899)
	-----	-----	-----
Total liabilities and partners' equity	\$17,093,905	\$17,749,647	\$18,573,695
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 4,432,488	\$ 4,270,346	\$ 4,224,657
Expenses:			
Operating expenses	2,194,634	2,079,978	2,102,111
Interest expense	2,006,234	2,007,179	2,011,686
Depreciation and amortization	875,459	869,716	865,601
	-----	-----	-----
Total expenses	5,076,327	4,956,873	4,979,398
	-----	-----	-----
Net loss	\$ (643,839)	\$ (686,527)	\$ (754,741)
	=====	=====	=====
Other partners' share of net loss	\$ (6,439)	\$ (6,865)	\$ (7,547)
	=====	=====	=====
Partnership's share of net loss	\$ (637,400)	\$ (679,662)	\$ (747,194)
	-----	-----	-----
Suspended losses	605,308	668,751	738,710
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (32,092)	\$ (10,911)	\$ (8,484)
	=====	=====	=====

As of December 31, 2005, the largest Project Partnership constituted 12.2% and 14.0%, and as of December 31, 2004 the largest Project Partnership constituted 12.0% and 13.7% 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 3	2005 ----	2004 ----	2003 ----
DECEMBER 31,			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 2,653,096	\$ 2,560,603	\$ 2,528,204
Investment properties, net	12,036,053	12,872,999	13,784,914
Other assets	158,818	166,839	175,280
	-----	-----	-----
Total assets	\$14,847,967	\$15,600,441	\$16,488,398
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 498,630	\$ 508,518	\$ 482,162
Long-term debt	21,307,645	21,412,108	21,535,458
	-----	-----	-----
Total liabilities	21,806,275	21,920,626	22,017,620
	-----	-----	-----
Partners' equity			
Limited Partner	(7,286,069)	(6,676,166)	(5,924,969)
General Partners	327,761	355,981	395,747
	-----	-----	-----
Total Partners' equity	(6,958,308)	(6,320,185)	(5,529,222)
	-----	-----	-----
Total liabilities and partners' equity	\$14,847,967	\$15,600,441	\$16,488,398
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 4,412,036	\$ 4,301,073	\$ 4,123,334
Expenses:			
Operating expenses	2,094,632	2,100,539	1,961,831
Interest expense	1,957,438	1,967,487	1,894,630
Depreciation and amortization	965,926	973,367	983,259
	-----	-----	-----
Total expenses	5,017,996	5,041,393	4,839,720
	-----	-----	-----
Net loss	\$ (605,960)	\$ (740,320)	\$ (716,386)
	=====	=====	=====
Other partners' share of net loss	\$ (10,373)	\$ (12,676)	\$ (11,723)
	=====	=====	=====
Partnership's share of net loss	\$ (595,587)	\$ (727,644)	\$ (704,663)
	-----	-----	-----
Suspended losses	595,587	727,644	699,526
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ 0	\$ 0	\$ (5,137)
	=====	=====	=====

As of December 31, 2005, the largest Project Partnership constituted 8.7% and 6.7%, and as of December 31, 2004 the largest Project Partnership constituted 8.5% and 6.4% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 4	2005	2004	2003
	----	----	----
DECEMBER 31,			
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 2,373,954	\$ 2,310,917	\$ 2,246,924
Investment properties, net	19,168,917	20,049,998	21,023,533
Other assets	34,344	33,120	20,390
	-----	-----	-----
Total assets	\$21,577,215	\$22,394,035	\$23,290,847
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 970,492	\$ 910,446	\$ 864,424
Long-term debt	26,080,239	26,191,312	26,289,686
	-----	-----	-----
Total liabilities	27,050,731	27,101,758	27,154,110
	-----	-----	-----
Partners' equity			
Limited Partner	(6,140,112)	(5,435,023)	(4,611,405)
General Partners	666,596	727,300	748,142
	-----	-----	-----
Total Partners' equity	(5,473,516)	(4,707,723)	(3,863,263)
	-----	-----	-----
Total liabilities and partners' equity	\$21,577,215	\$22,394,035	\$23,290,847
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 5,161,594	\$ 4,938,004	\$ 4,832,351
Expenses:			
Operating expenses	2,637,778	2,576,638	2,432,823
Interest expense	2,189,427	2,138,281	2,096,318
Depreciation and amortization	1,044,298	1,045,249	1,045,416
	-----	-----	-----
Total expenses	5,871,503	5,760,168	5,574,557
	-----	-----	-----
Net loss	\$ (709,909)	\$ (822,164)	\$ (742,206)
	=====	=====	=====
Other partners' share of net loss	\$ (25,473)	\$ (15,617)	\$ (9,779)
	=====	=====	=====
Partnership's share of net loss	\$ (684,436)	\$ (806,547)	\$ (732,427)
	-----	-----	-----
Suspended losses	684,436	806,547	723,664
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ 0	\$ 0	\$ (8,763)
	=====	=====	=====

As of December 31, 2005, the largest Project Partnership constituted 7.8% and 5.8%, and as of December 31, 2004 the largest Project Partnership constituted 7.8% and 5.8% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 5	2005	DECEMBER 31, 2004	2003
	----	----	----
<b>SUMMARIZED BALANCE SHEETS</b>			
Assets:			
Current assets	\$ 3,285,139	\$ 3,075,902	\$ 3,058,047
Investment properties, net	21,704,303	22,749,373	24,492,694
Other assets	4,245	51,964	2,286
	-----	-----	-----
Total assets	\$24,993,687	\$25,877,239	\$27,553,027
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 779,213	\$ 736,200	\$ 807,429
Long-term debt	31,256,580	31,392,413	32,229,915
	-----	-----	-----
Total liabilities	32,035,793	32,128,613	33,037,344
	-----	-----	-----
Partners' equity			
Limited Partner	(6,681,292)	(5,930,379)	(5,197,812)
General Partners	(360,814)	(320,995)	(286,505)
	-----	-----	-----
Total Partners' equity	(7,042,106)	(6,251,374)	(5,484,317)
	-----	-----	-----
Total liabilities and partners' equity	\$24,993,687	\$25,877,239	\$27,553,027
	=====	=====	=====
<b>SUMMARIZED STATEMENTS OF OPERATIONS</b>			
Rental and other income	\$ 6,113,199	\$ 5,792,482	\$ 5,575,579
	-----	-----	-----
Total Income	6,113,199	5,792,482	5,575,579
Expenses:			
Operating expenses	3,049,363	3,096,406	3,119,514
Interest expense	2,591,786	2,229,541	2,250,016
Depreciation and amortization	1,203,506	1,247,246	1,276,928
	-----	-----	-----
Total expenses	6,844,655	6,573,193	6,646,458
	-----	-----	-----
Net loss	\$ (731,456)	\$ (780,711)	\$(1,070,879)
	=====	=====	=====
Other partners' share of net loss	\$ (7,315)	\$ (7,807)	\$ (10,709)
	-----	-----	-----
Partnership's share of net loss	\$ (724,141)	\$ (772,904)	\$(1,060,170)
	-----	-----	-----
Suspended losses	701,629	746,794	926,465
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (22,512)	\$ (26,110)	\$ (133,705)
	=====	=====	=====

As of December 31, 2005, the largest Project Partnership constituted 8.5% and 8.0%, and as of December 31, 2004 the largest Project Partnership constituted 8.3% and 8.0% 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 \$161,888. Gateway received sale proceeds totaling \$157,127, which was distributed to the Limited Partners at \$18.24 per limited partnership unit during fiscal year 2006.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

SERIES 6	2005	DECEMBER 31, 2004	2003
	----	----	----
<b>SUMMARIZED BALANCE SHEETS</b>			
Assets:			
Current assets	\$ 4,214,285	\$ 4,075,629	\$ 3,748,484
Investment properties, net	25,343,325	27,082,558	28,314,923
Other assets	5,642	3,934	17,884
	-----	-----	-----
Total assets	\$29,563,252	\$31,162,121	\$32,081,291
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 759,168	\$ 760,481	\$ 733,479
Long-term debt	33,537,501	34,688,448	34,867,631
	-----	-----	-----
Total liabilities	34,296,669	35,448,929	35,601,110
	-----	-----	-----
Partners' equity			
Limited Partner	(4,222,518)	(3,799,474)	(3,085,785)
General Partners	(510,899)	(487,334)	(434,034)
	-----	-----	-----
Total Partners' equity	(4,733,417)	(4,286,808)	(3,519,819)
	-----	-----	-----
Total liabilities and partners' equity	\$29,563,252	\$31,162,121	\$32,081,291
	=====	=====	=====
<b>SUMMARIZED STATEMENTS OF OPERATIONS</b>			
Rental and other income	\$ 6,612,944	\$ 6,536,265	\$ 6,361,139
Expenses:			
Operating expenses	3,195,528	3,184,179	3,026,245
Interest expense	2,722,033	2,666,928	2,684,574
Depreciation and amortization	1,293,203	1,367,028	1,357,379
	-----	-----	-----
Total expenses	7,210,764	7,218,135	7,068,198
	-----	-----	-----
Net loss	\$ (597,820)	\$ (681,870)	\$ (707,059)
	=====	=====	=====
Other partners' share of net loss	\$ (6,863)	\$ (8,157)	\$ (8,150)
	=====	=====	=====
Partnership's share of net loss	\$ (590,957)	\$ (673,713)	\$ (698,909)
	-----	-----	-----
Suspended losses	565,258	608,477	550,411
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (25,699)	\$ (65,236)	\$ (148,498)
	=====	=====	=====

As of December 31, 2005, the largest Project Partnership constituted 6.6% and 6.9%, and as of December 31, 2004 the largest Project Partnership constituted 6.4% and 6.5% of the combined total assets by series and combined total revenues by series, respectively.

One of the Project Partnerships, Mountain Crest, L.P. sold its property during August 2005. Gateway received sale proceeds totaling \$225,574 which were distributed to the Limited Partners, less \$1,500 in legal expenses, at \$22.17 per limited partnership unit during the quarter ended December 31, 2005. The remaining \$46 of this distribution is shown as a Distribution Payable on the Balance Sheet. As disclosed on the Statement of Operations, Gateway recognized a gain on this sale of \$224,074, based on the total sale proceeds, less legal expenses, and the net investment value of the sold property.

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	2005	DECEMBER 31, 2004	2003
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 14,624,244	\$ 13,992,018	\$ 13,550,405
Investment properties, net	93,247,963	98,534,838	104,208,137
Other assets	203,819	256,627	228,716
	-----	-----	-----
Total assets	\$108,076,026	\$112,783,483	\$117,987,258
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 3,590,739	\$ 3,398,859	\$ 3,390,520
Long-term debt	134,835,202	136,430,803	137,755,258
	-----	-----	-----
Total liabilities	138,425,941	139,829,662	141,145,778
	-----	-----	-----
Partners' equity			
Limited Partner	(30,329,422)	(27,195,268)	(23,480,434)
General Partners	(20,493)	149,089	321,914
	-----	-----	-----
Total Partners' equity	(30,349,915)	(27,046,179)	(23,158,520)
	-----	-----	-----
Total liabilities and partners' equity	\$108,076,026	\$112,783,483	\$117,987,258
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 26,732,261	\$ 25,838,170	\$ 25,117,060
	-----	-----	-----
Total Income	26,732,261	25,838,170	25,117,060
Expenses:			
Operating expenses	13,171,935	13,037,740	12,642,524
Interest expense	11,466,918	11,009,416	10,937,224
Depreciation and amortization	5,382,392	5,502,606	5,528,583
	-----	-----	-----
Total expenses	30,021,245	29,549,762	29,108,331
	-----	-----	-----
Net loss	\$ (3,288,984)	\$ (3,711,952)	\$ (3,991,271)
	=====	=====	=====
Other partners' share of net loss	\$ (56,463)	\$ (51,122)	\$ (47,908)
	=====	=====	=====
Partnership's share of net loss	\$ (3,232,521)	\$ (3,660,470)	\$ (3,943,363)
	-----	-----	-----
Suspended losses	3,152,218	3,558,213	3,638,776
	-----	-----	-----
Equity in Income (Losses) of Project Partnerships	\$ (80,303)	\$ (102,257)	\$ (304,587)
	=====	=====	=====

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	\$(5,999,431)	\$ (305,688)
Series 3	(7,286,069)	(409,182)
Series 4	(6,140,112)	(441,205)
Series 5	(6,681,292)	(316,022)
Series 6	(4,222,518)	185,870

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	2006 -----	2005 -----	2004 -----
Net Loss per Financial Statements	\$ (156,399)	\$ (97,520)	\$ (92,200)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(693,743)	(797,850)	(856,310)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	19,019	1,376	8,988
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	67,448	53,428	12,850
Amortization Expense	699	696	696
Other Adjustments	(10,999)	(14,217)	(18,415)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (773,975) =====	\$ (854,087) =====	\$ (944,391) =====
	December 31, 2005	December 31, 2004	December 31, 2003
	-----	-----	-----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 892 =====	\$ 892 =====	\$ 892 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2006 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 0	\$(7,286,137)	\$ 7,286,137
Other Assets	\$ 316,805	\$ 1,060,927	\$ (744,122)
Liabilities	\$ 655,587	\$ 5,291	\$ 650,296

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	2006 ----	2005 ----	2004 ----
Net Loss per Financial Statements	\$ (108,278)	\$ (77,647)	\$ (77,243)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(664,379)	(752,598)	(762,553)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	16,892	2,140	18,639
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	62,486	67,931	17,077
Amortization Expense	0	129	63
Other Adjustments	(24,829)	(20,866)	(37,484)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (718,108) =====	\$ (780,911) =====	\$ (841,501) =====
	December 31, 2005	December 31, 2004	December 31, 2003
	-----	-----	-----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 0 =====	\$ 941 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2006 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 0	\$(6,788,293)	\$6,788,293
Other Assets	\$ 294,987	\$ 960,008	\$ (665,021)
Liabilities	\$ 553,361	\$ 5,545	\$ 547,816

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	2006 -----	2005 -----	2004 -----
Net Loss per Financial Statements	\$ (138,304)	\$ (102,967)	\$ (98,159)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(947,123)	(907,174)	(825,899)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	15,734	(971)	18,236
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	77,022	79,874	37,611
Amortization Expense	0	(256)	(802)
Other Adjustments	(17,244)	(14,332)	(40,257)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (1,009,915) =====	\$ (945,826) =====	\$ (909,270) =====
	December 31, 2005 -----	December 31, 2004 -----	December 31, 2003 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 8,516 =====	\$ 1,484 =====	\$ 8,520 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2006 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 0	\$ (8,178,201)	\$ 8,178,201
Other Assets	\$ 396,889	\$ 1,236,717	\$ (839,828)
Liabilities	\$ 714,689	\$ 6,749	\$ 707,940

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	2006 ----	2005 ----	2004 ----
Net Income (Loss) per Financial Statements	\$ (208,790)	\$ 15,153	\$ (265,039)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(854,948)	(948,134)	(996,157)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	44,499	(7,065)	20,717
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	90,877	(58,836)	19,420
Amortization Expense	85	4,380	4,576
Other Adjustments	(26,566)	(46,206)	(34,151)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (954,843) =====	\$ (1,040,708) =====	\$ (1,250,634) =====
	December 31, 2005	December 31, 2004	December 31, 2003
	-----	-----	-----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 20,278 =====	\$ 75,409 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2006 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 151,630	\$ (8,125,436)	\$ 8,277,066
Other Assets	\$ 356,437	\$ 1,404,939	\$ (1,048,502)
Liabilities	\$ 592,997	\$ 8,250	\$ 584,747

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	2006 -----	2005 -----	2004 -----
Net Loss per Financial Statements	\$ (342,258)	\$ (198,709)	\$ (294,767)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(626,405)	(849,870)	(788,055)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	385,232	3,894	12,119
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	103,448	111,482	34,124
Amortization Expense	3,954	8,034	8,478
Other Adjustments	(23,282)	(36,754)	(28,421)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (499,311) =====	\$ (961,923) =====	\$(1,056,522) =====
	December 31, 2005 -----	December 31, 2004 -----	December 31, 2003 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 38,926 =====	\$ 154,714 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2006 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 372,285	\$(6,546,099)	\$ 6,918,384
Other Assets	\$ 541,950	\$ 1,740,762	\$(1,198,812)
Liabilities	\$ 912,073	\$ 9,072	\$ 903,001

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	2006	2005	2004
	----	----	----
Net Loss per Financial Statements	\$ (954,029)	\$ (461,690)	\$ (827,408)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(3,786,598)	(4,255,626)	(4,228,974)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	481,376	(626)	78,699
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	401,281	253,879	121,082
Amortization Expense	4,738	12,983	13,011
Other Adjustments	(102,920)	(132,375)	(158,728)
	-----	-----	-----
Partnership loss for tax purposes as of December 31	\$ (3,956,152)	\$ (4,583,455)	\$ (5,002,318)
	=====	=====	=====

The difference in the total value of the Partnership's Investment in Project Partnerships is approximately \$7,286,137 higher for Series 2, \$6,788,293 higher for Series 3, \$8,178,201 higher for Series 4, \$8,277,066 higher for Series 5 and \$6,918,384 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, 2006 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	\$ 523,915	\$ (36,924,166)	\$37,448,081
Other Assets	\$1,907,068	\$ 6,403,353	\$ (4,496,285)
Liabilities	\$3,428,707	\$ 34,907	\$ 3,393,800

NOTE 7 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

<u>Series 2</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 2,250	\$ 1,237	\$ 1,221	\$ 2,555
Net Income (Loss)	\$ (33,601)	\$ (39,394)	\$ (30,846)	\$ (52,558)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (5.42)	\$ (6.36)	\$ (4.98)	\$ (8.48)

<u>Series 3</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 12,398	\$ 4,618	\$ 3,414	\$ 2,431
Net Income (Loss)	\$ (14,283)	\$ (33,117)	\$ (24,237)	\$ (36,641)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (2.59)	\$ (6.01)	\$ (4.40)	\$ (6.65)

<u>Series 4</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 5,113	\$ 7,587	\$ 884	\$ 4,889
Net Income (Loss)	\$ (26,707)	\$ (36,676)	\$ (33,089)	\$ (41,832)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (3.82)	\$ (5.25)	\$ (4.74)	\$ (5.99)

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

<u>Series 5</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 11,176	\$ 4,805	\$ 1,654	\$ 5,184
Net Income (Loss)	\$ (31,297)	\$ (44,906)	\$ (43,496)	\$ (89,091)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (3.60)	\$ (5.16)	\$ (5.00)	\$ (10.24)

<u>Series 6</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 10,190	\$ 4,677	\$ 3,503	\$ 7,984
Net Income (Loss)	\$ (36,442)	\$ (43,655)	\$ 172,237	\$ (434,398)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (3.57)	\$ (4.28)	\$ 8.75	\$ (42.99)

<u>Series 2 - 6</u> <u>Year 2006</u>	<u>Quarter 1</u> <u>6/30/2005</u>	<u>Quarter 2</u> <u>9/30/2005</u>	<u>Quarter 3</u> <u>12/31/2005</u>	<u>Quarter 4</u> <u>3/31/2006</u>
Total Revenues	\$ 41,127	\$ 22,924	\$ 10,676	\$ 23,043
Net Income (Loss)	\$ (142,330)	\$ (197,748)	\$ 40,569	\$ (654,520)

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

<u>Series 2</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
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)

<u>Series 3</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
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)

<u>Series 4</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
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):

<u>Series 5</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
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

<u>Series 6</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
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)

<u>Series 2 - 6</u> <u>Year 2005</u>	<u>Quarter 1</u> <u>6/30/2004</u>	<u>Quarter 2</u> <u>9/30/2004</u>	<u>Quarter 3</u> <u>12/31/2004</u>	<u>Quarter 4</u> <u>3/31/2005</u>
Total Revenues	\$ 33,106	\$ 23,991	\$ 23,312	\$ 28,193
Net Income (Loss)	\$ (142,186)	\$ (183,249)	\$ (159,097)	\$ 22,842

Donald W. Causey & Associates, P.C.  
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Gadsden, AL 35902  
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INDEPENDENT AUDITORS' REPORT  
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To the Partners  
Meadowcrest Apartments Ltd.  
Luverne, Alabama

We have audited the accompanying balance sheets of Meadowcrest Apartments, Ltd., 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the 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/ Donald W. Causey & Associates, P.C.  
Certified Public Accountants  
Gadsden, Alabama  
February 27, 2005

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INDEPENDENT AUDITORS' REPORT  
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To the Partners  
Sylacauga Heritage Apartments Ltd.  
Sylacauga, Alabama

We have audited the accompanying balance sheets of Sylacauga Heritage Apartments, Ltd., 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the 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/ Donald W. Causey & Associates, P.C.  
Certified Public Accountants  
Gadsden, Alabama  
February 10, 2005

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INDEPENDENT AUDITORS' REPORT  
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To the Partners  
Lakeshore Apartments Ltd.  
Tuskegee, Alabama

We have audited the accompanying balance sheets of Lakeshore Apartments, Ltd., 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the 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/ Donald W. Causey & Associates, P.C.  
Certified Public Accountants  
Gadsden, Alabama  
February 27, 2005

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INDEPENDENT AUDITORS' REPORT  
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To the Partners  
Countrywood Apartments Ltd.  
Centerville, Alabama

We have audited the accompanying balance sheets of Countrywood Apartments, Ltd., 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the 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/ Donald W. Causey & Associates, P.C.  
Certified Public Accountant  
Gadsden, Alabama  
February 24, 2005

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INDEPENDENT AUDITORS' REPORT  
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To the Partners  
Wildwood Apartments Ltd.  
Pineville, Louisiana

We have audited the accompanying balance sheets of Wildwood Apartments, Ltd., 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 the audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The partnership has determined that it 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 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., 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.

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 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the 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/ Donald W. Causey & Associates, P.C.  
Certified Public Accountants  
Gadsden, Alabama  
February 24, 2005

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

On or about January 3, 2006, Spence, Marston, Bunch, Morris & Co., Certified Public Accountants, P.C. ("SMBM") resigned as the principal independent accountant of Gateway. As explained to the Registrant by SMBM, the Registrant and its two affiliated funds were the only clients of SMBM required to file reports as a public company under the Securities Exchange Act of 1934. SMBM decided to resign due to the economic unfeasibility of providing auditing services to a small number of public company clients.

During the years ended March 31, 2005 and March 31, 2004, and the subsequent interim periods through January 3, 2006, there were no disagreements with SMBM on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of SMBM, would have caused them to make reference to the subject matter of the disagreement in connection with their report. In addition, none of the reportable events listed in Item 304(a)(1)(v) of Regulation S-K occurred with respect to the Registrant during the Registrant's two most recent fiscal years and the subsequent interim periods preceding the resignation of SMBM.

The audit reports of SMBM on the financial statements of the Registrant for the two most recent fiscal years ended March 31, 2005 and March 31, 2004 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

On January 11, 2006, Gateway engaged the firm of Reznick Group, P.C. ("Reznick") as its independent registered public accounting firm. The engagement was authorized by Gateway's audit committee. From January 1, 2004 to such date of engagement, neither Gateway nor anyone on behalf of Gateway consulted with Reznick regarding any matter requiring disclosure under Item 304(a)(2) of Regulation S-K.

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

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of Gateway

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

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

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

Ronald M. Diner, age 62, is President and a Director. He is a Senior Vice President of Raymond James & Associates, Inc., with whom he has been employed since June 1983. Mr. Diner received an MBA degree from Columbia University (1968) and a BS degree from Trinity College (1966). Prior to joining Raymond James & Associates, Inc., he managed the broker-dealer activities of Pittway Real Estate, Inc., a real estate development firm. He was previously a loan officer at Marine Midland Realty Credit Corp., and spent three years with Common, Dann & Co., a New York regional investment firm. He has served as a member of the Board of Directors of the Council for Rural Housing and Development, a national organization of developers, managers and syndicators of properties developed under the RECD Section 515 program, and is a member of the Board of Directors of the Florida Council for Rural Housing and Development. Mr. Diner has been a speaker and panel member at state and national seminars relating to the low-income housing credit.

J. Davenport Mosby, age 50, 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, 2006.

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.

For the years ended March 31, 2006, 2005 and 2004 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.

	2006	2005	2004
	----	----	----
Series 2	\$ 67,609	\$ 67,609	\$ 67,822
Series 3	62,716	62,717	63,022
Series 4	77,205	77,205	77,448
Series 5	92,722	92,722	95,180
Series 6	101,592	104,509	104,953
	-----	-----	-----
Total	\$ 401,844	\$ 404,762	\$ 408,425
	=====	=====	=====

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.

	2006	2005	2004
	----	----	----
Series 2	\$ 47,681	\$ 32,074	\$ 32,065
Series 3	49,848	33,531	33,523
Series 4	62,853	42,279	42,266
Series 5	77,443	52,484	52,470
Series 6	81,777	55,400	55,384
	-----	-----	-----
Total	\$ 319,602	\$ 215,768	\$ 215,708
	=====	=====	=====

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2006 and 2005 are as follows:

	March 31, 2006	March 31, 2005
	-----	-----
Series 2	\$ 647,557	\$ 576,689
Series 3	546,061	479,749
Series 4	706,659	624,704
Series 5	589,347	491,645
Series 6	912,027	805,043
	-----	-----
Total	\$3,401,651	\$2,977,830
	=====	=====

Item 14. Principal Accounting Fees & Services

The aggregate fees incurred by the Partnership's principal accounting firm, Reznick Group, P.C., for professional services rendered for the audit of the annual financial statements and review of financial statements included in the Partnership's quarterly reports on Form 10-Q for the year ended March 31, 2006 was \$40,000. The aggregate fees billed by the Partnership's former principal accounting firm, Spence, Marston, Bunch, Morris and Co., during fiscal year 2006 for review of certain quarterly reports on Form 10-Q was \$1,750.

The aggregate fees billed by 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 Partnership's quarterly reports on form 10-Q for the year ended March 31, 2005 was \$24,925.

Tax - During fiscal 2006 and 2005, Spence, Marston, Bunch, Morris and Co. was engaged to prepare the Partnership's federal tax return, for which they billed \$7,000 and \$6,500 for 2006 and 2005, respectively.

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 2006, 100% of the audit related and other services and 100% of the tax services were pre-approved by the Audit Committee.

PART IV

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

a.(1) Financial Statements

(2) Financial Statement Schedules -

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

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

(3) Exhibit Index -

The following are included with Form S-11, Registration No. 33-31821 and amendments and supplements thereto previously filed with the Securities and Exchange Commission.

(b) Exhibit Listing

<u>Exhibit Number</u>	<u>Description</u>
3.1	Certificate of Limited Partnership of Gateway Tax Credit Fund III Ltd.(Filed as an Exhibit to Registration Statement on Form S-11, File No. 33-44238 and incorporated herein by reference.)
4.1	Limited Partnership Agreement of Gateway Tax Credit Fund III Ltd. (Filed as an Exhibit to Registration Statement on Form S-11, File No. 33-44238 and incorporated herein by reference.)
16	Letter of Spence, Marston, Bunch, Morris & Co. (Filed as Exhibit 16 to Report on Form 8-K filed January 12, 2006 and incorporated herein by reference.)
23	The consent of Reznick Group, P.C. (Filed herewith.)
23	The consent of Spence, Marston, Bunch, Morris & Co. (Filed herewith.)
31.1	Certification required by Rule 15d-14(a) (Filed herewith.)
31.2	Certification required by Rule 15d-14(a) (Filed herewith.)
32	Certification required by Rule 15d-14(b) (Filed herewith.)

Reports filed on Form 8-K:

Item 4.01 Changes in Registrant's Certifying Accountant, Form 8-K (Filed January 12, 2006 and incorporated herein by reference.)

Item 4.01 Changes in Registrant's Certifying Accountant, form 8-K (Filed January 5, 2006 and incorporated herein by reference.)

Item 8.01 Other Events, form 8-K (Filed August 12, 2005 and incorporated herein by reference.)

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, 2005

SERIES 2  
 Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Claxton Elderly	Claxton, GA	24	\$ 645,543
Deerfield II	Douglas, GA	24	688,182
Hartwell Family	Hartwell, GA	24	691,577
Cherrytree Apts.	Albion, PA	33	1,176,846
Springwood Apts.	Westfield, NY	32	1,228,426
Lakeshore Apts.	Tuskegee, AL	34	1,033,546
Lewiston	Lewiston, NY	25	981,339
Charleston	Charleston, AR	32	826,545
Sallisaw II	Sallisaw, OK	47	1,174,201
Pocola	Pocola, OK	36	968,414
Inverness Club	Inverness, FL	72	2,932,551
Pearson Elderly	Pearson, GA	25	609,336
Richland Elderly	Richland, GA	34	850,775
Lake Park	Lake Park, GA	48	1,457,698
Woodland Terrace	Waynesboro, GA	30	870,724
Mt. Vernon Elderly	Mt. Vernon, GA	21	562,874
Lakeland Elderly	Lakeland, GA	29	764,128
Prairie Apartments	Eagle Butte, SD	21	957,864
Sylacauga Heritage	Sylacauga, AL	44	1,359,399
Manchester Housing	Manchester, GA	49	1,428,157
Durango C.W.W.	Durango, CO	24	1,016,872
Columbus Sr.	Columbus, KS	16	428,240
			-----
			\$ 22,653,237
			=====

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, 2005

SERIES 2

Apartment Properties

Cost At Acquisition

Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
Claxton Elderly	\$ 33,400	\$ 766,138	\$ 9,094
Deerfield II		820,962	0
Hartwell Family	33,600	836,998	0
Cherrytree Apts.	22,700	1,376,297	27,810
Springwood Apts.	62,000	1,451,283	91,227
Lakeshore Apts.	21,500	1,238,749	29,255
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	147,740
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	99,510
Columbus Sr.	140,250	444,257	26,188
	64,373		
	-----	-----	-----
	\$1,115,553	\$26,819,761	\$ 683,437
	=====	=====	=====

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, 2005

SERIES 2

Apartment Properties

Gross Amount At Which Carried At December 31, 2005

Partnership	Land	Buildings, Improvements and Equipment	Total
Claxton Elderly	\$ 33,400	\$ 775,232	\$ 808,632
Deerfield II	33,600	820,962	854,562
Hartwell Family	22,700	836,998	859,698
Cherrytree Apts.	70,041	1,396,066	1,466,107
Springwood Apts.	24,017	1,539,993	1,564,010
Lakeshore Apts.	28,600	1,268,004	1,296,604
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	97,661	1,266,793	1,364,454
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	1,222,964	1,363,214
Columbus Sr.	69,607	465,211	534,818
	-----	-----	-----
	\$1,165,901	\$27,452,850	\$28,618,751
	=====	=====	=====

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, 2005

SERIES 2

Apartment Properties  
 Partnership

	Accumulated Depreciation	Depreciable Life
	-----	-----
Claxton Elderly	\$ 429,321	5-27.5
Deerfield II	460,979	5-27.5
Hartwell Family	472,412	5-27.5
Cherrytree Apts.	543,627	5-27.5
Springwood Apts.	622,649	5-40
Lakeshore Apts.	514,895	5-40
Lewiston	456,700	5-40
Charleston	663,167	5-25
Sallisaw II	904,960	5-25
Pocola	685,889	5-27.5
Inverness Club	1,760,107	5-27.5
Pearson Elderly	395,444	5-30
Richland Elderly	523,938	5-30
Lake Park	906,064	5-30
Woodland Terrace	537,720	5-30
Mt. Vernon Elderly	351,006	5-30
Lakeland Elderly	474,930	5-30
Prairie Apartments	556,921	5-40
Sylacauga Heritage	702,461	5-40
Manchester Housing	881,353	5-30
Durango C.W.W.	483,015	5-40
Columbus Sr.	295,828	5-27.5
	-----	
	\$13,623,386	
	=====	

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, 2005

SERIES 3

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Poteau II	Poteau, OK	52	\$ 1,270,711
Sallisaw	Sallisaw, OK	52	1,287,935
Nowata Properties	Oologah, OK	32	841,495
Waldron Properties	Waldron, AR	24	626,721
Roland II	Roland, OK	52	1,285,942
Stilwell	Stilwell, OK	48	1,167,959
Birchwood Apts.	Pierre, SD	24	773,447
Hornellsville	Arkport, NY	24	876,030
Sunchase II	Watertown, SD	41	1,184,875
CE McKinley II	Rising Sun, MD	16	564,242
Weston Apartments	Weston, AL	10	268,421
Countrywood Apts.	Centreville, AL	40	1,172,994
Wildwood Apts.	Pineville, LA	28	833,336
Hancock	Hawesville, KY	12	347,546
Hopkins	Madisonville, KY	24	717,902
Elkhart Apts.	Elkhart, TX	54	1,091,444
Bryan Senior	Bryan, OH	40	1,040,409
Brubaker Square	New Carlisle, OH	38	1,093,035
Southwood	Savannah, TN	44	1,460,633
Villa Allegra	Celina, OH	32	873,112
Belmont Senior	Cynthiana, KY	24	741,969
Heritage Villas	Helena, GA	25	665,062
Logansport Seniors	Logansport, LA	32	1,122,425
			-----
			\$21,307,645
			=====

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, 2005

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	103,798
Hornellsville	41,225	1,018,523	107,317
Sunchase II	113,115	1,198,373	161,856
CE McKinley II	11,762	745,635	84,671
Weston Apartments	0	339,144	8,433
Countrywood Apts.	55,750	1,447,439	96,352
Wildwood Apts.	48,000	1,018,897	32,545
Hancock	20,700	419,725	0
Hopkins	43,581	885,087	(1,412)
Elkhart Apts.	35,985	1,361,096	279,434
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	\$1,232,303
	=====	=====	=====

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, 2005

SERIES 3

Apartment Properties Gross Amount At Which Carried At December 31, 2005

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.	133,698	972,763	1,106,461
Hornellsville	41,225	1,125,840	1,167,065
Sunchase II	120,858	1,352,486	1,473,344
CE McKinley II	11,749	830,319	842,068
Weston Apartments	0	347,577	347,577
Countrywood Apts.	55,750	1,543,791	1,599,541
Wildwood Apts.	48,000	1,051,442	1,099,442
Hancock	20,700	419,725	440,425
Hopkins	43,581	883,675	927,256
Elkhart Apts.	23,378	1,653,137	1,676,515
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
	-----	-----	-----
	\$1,116,827	\$27,254,751	\$28,371,578
	=====	=====	=====

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, 2005

SERIES 3 Partnership -----	Accumulated Depreciation -----	Depreciable Life -----
Poteau II	\$ 1,204,072	5-25
Sallisaw	1,146,570	5-25
Nowata Properties	747,412	5-25
Waldron Properties	565,636	5-25
Roland II	1,212,702	5-25
Stilwell	1,082,952	5-25
Birchwood Apts.	485,658	5-40
Hornellsville	703,372	5-27.5
Sunchase II	651,060	5-40
CE McKinley II	525,506	5-27.5
Weston Apartments	223,020	5-27.5
Countrywood Apts.	952,951	5-27.5
Wildwood Apts.	604,467	5-30
Hancock	234,562	5-27.5
Hopkins	493,848	5-27.5
Elkhart Apts.	970,479	5-25
Bryan Senior	755,384	5-27.5
Brubaker Square	874,465	5-27.5
Southwood	940,866	5-50
Villa Allegra	714,366	5-27.5
Belmont Senior	352,902	5-40
Heritage Villas	418,815	5-30
Logansport Seniors	474,460	5-40
	-----	
	\$16,335,525	
	=====	

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, 2005

SERIES 4

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Alsace Village	Soda Springs, ID	24	\$ 626,202
Seneca Apartments	Seneca, MO	24	597,848
Eudora Senior	Eudora, KS	36	941,472
Westville	Westville, OK	36	843,687
Wellsville Senior	Wellsville, KS	24	636,189
Stilwell II	Stilwell, OK	52	1,265,529
Spring Hill Senior	Spring Hill, KS	24	684,132
Smithfield	Smithfield, UT	40	1,511,778
Tarpon Heights	Galliano, LA	48	1,378,174
Oaks Apartments	Oakdale, LA	32	803,931
Wynnwood Common	Fairchance, PA	34	1,346,626
Chestnut Apartments	Howard, SD	24	839,849
St. George	St. George, SC	24	739,294
Williston	Williston, SC	24	784,387
Brackettville Sr.	Brackettville, TX	32	807,636
Sonora Seniors	Sonora, TX	32	828,097
Ozona Seniors	Ozona, TX	24	620,329
Fredericksburg Sr.	Fredericksburg, TX	48	1,182,632
St. Joseph	St. Joseph, IL	24	813,356
Courtyard	Huron, SD	21	699,229
Rural Development	Ashland, ME	25	1,185,652
Jasper Villas	Jasper, AR	25	843,674
Edmonton Senior	Edmonton, KY	24	741,262
Jonesville Manor	Jonesville, VA	40	1,326,517
Norton Green	Norton, VA	40	1,317,543
Owingsville Senior	Owingsville, KY	22	693,852
Timpson Seniors	Timpson, TX	28	661,234
Piedmont	Barnesville, GA	36	1,023,543
S.F. Arkansas City	Arkansas City, KS	12	336,585
			-----
			\$26,080,239
			=====

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, 2005

SERIES 4

Apartment Properties

Cost At Acquisition

Partnership	Land	Buildings, Improvements and Equipment	Net Improvements Capitalized Subsequent to Acquisition
-----	-----	-----	-----
Alsace Village	\$ 15,000	\$ 771,590	\$ 51,639
Seneca Apartments	76,212	640,702	102,932
Eudora Senior	50,000	1,207,482	32,661
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	154,721
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	44,989
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	43,757
Rural Development	38,200	1,361,892	28,911
Jasper Villas	27,000	1,067,890	16,804
Edmonton Senior	40,000	866,714	0
Jonesville Manor	100,000	1,578,135	86,790
Norton Green	120,000	1,535,373	152,657
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	\$2,261,639
	=====	=====	=====

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, 2005

SERIES 4

Apartment Properties

Gross Amount At Which Carried At December 31, 2005

Partnership	Land	Buildings, Improvements and Equipment	Total
Alsace Village	\$ 15,000	\$ 823,229	\$ 838,229
Seneca Apartments	79,386	740,460	819,846
Eudora Senior	64,278	1,225,865	1,290,143
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	1,820,394	1,935,434
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	1,015,882	1,079,682
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	848,896	878,367
Rural Development	38,200	1,390,803	1,429,003
Jasper Villas	27,000	1,084,694	1,111,694
Edmonton Senior	40,000	866,714	906,714
Jonesville Manor	100,000	1,664,925	1,764,925
Norton Green	120,000	1,688,030	1,808,030
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 =====	----- \$33,199,723 =====	----- \$34,610,262 =====

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, 2005

SERIES 4

Apartment Properties  
 Partnership

	Accumulated Depreciation	Depreciable Life
	-----	-----
Alsace Village	\$ 478,997	5-27.5
Seneca Apartments	455,951	5-27.5
Eudora Senior	672,868	5-27.5
Westville	600,054	5-27.5
Wellsville Senior	434,220	5-25
Stilwell II	910,059	5-27.5
Spring Hill Senior	609,912	5-25
Smithfield	660,989	5-40
Tarpon Heights	637,352	5-40
Oaks Apartments	471,871	5-40
Wynnwood Common	646,199	5-40
Chestnut Apartments	464,170	5-40
St. George	538,228	5-27.5
Williston	552,835	5-27.5
Brackettville Sr.	350,251	5-40
Sonora Seniors	363,767	5-40
Ozona Seniors	265,065	5-40
Fredericksburg Sr.	501,345	5-40
St. Joseph	531,822	5-27.5
Courtyard	463,966	5-27.5
Rural Development	801,923	5-27.5
Jasper Villas	429,224	5-40
Edmonton Senior	338,150	5-40
Jonesville Manor	924,752	5-27.5
Norton Green	961,584	5-27.5
Owingsville Senior	318,603	5-40
Timpson Seniors	314,550	5-40
Piedmont	521,915	5-27.5
S.F. Arkansas City	220,723	5-27.5
	-----	
	\$15,441,345	
	=====	

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, 2005

SERIES 5

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Seymour	Seymour, IN	37	\$ 1,215,031
Effingham	Effingham, IL	24	789,511
S.F. Winfield	Winfield, KS	12	328,582
S.F. Medicine Lodge	Medicine Lodge, KS	16	448,128
S.F. Ottawa	Ottawa, KS	24	564,200
S.F. Concordia	Concordia, KS	20	549,806
Carrollton Club	Carrollton, GA	78	2,627,989
Scarlett Oaks	Lexington, SC	40	1,363,269
Brooks Hill	Ellijay, GA	44	1,434,970
Greensboro	Greensboro, GA	24	718,131
Greensboro II	Greensboro, GA	32	883,317
Pine Terrace	Wrightsville, GA	24	712,726
Shellman	Shellman, GA	27	725,144
Blackshear	Cordele, GA	46	1,295,859
Crisp Properties	Cordele, GA	31	914,201
Crawford	Crawford, GA	25	731,007
Yorkshire	Wagoner, OK	60	2,044,999
Woodcrest	South Boston, VA	40	1,249,783
Fox Ridge	Russellville, AL	24	723,529
Redmont II	Red Bay, AL	24	683,142
Clayton	Clayton, OK	24	656,169
Alma	Alma, AR	24	720,693
Pemberton Village	Hiawatha, KS	24	627,037
Magic Circle	Eureka, KS	24	642,726
Spring Hill	Spring Hill, KS	36	1,106,183
Menard Retirement	Menard, TX	24	616,944
Wallis Housing	Wallis, TX	24	393,566
Zapata Housing	Zapata, TX	40	960,568
Mill Creek	Grove, OK	60	1,407,203
Portland II	Portland, IN	20	573,391
Georgetown	Georgetown, OH	24	727,534
Cloverdale	Chandler, TX	24	744,795
S. Timber Ridge	Cloverdale, IN	44	1,050,094
Pineville	Pineville, MO	12	314,069
Ravenwood	Americus, GA	24	712,284
			-----
			\$31,256,580
			=====

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, 2005

SERIES 5

Apartment Properties

Cost At Acquisition

Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
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	648,716
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	328,748
Woodcrest	70,000	842,335	717,239
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	78,580
Mill Creek	28,000	414,429	1,299,240
Portland II	43,102	410,683	361,654
Georgetown	0	149,483	836,255
Cloverdale	40,000	583,115	393,316
S. Timber Ridge	43,705	1,233,570	51,154
Pineville	59,661	328,468	43,330
Ravenwood	14,300	873,596	13,100
	\$1,401,999	\$24,326,999	\$13,898,852

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, 2005

SERIES 5

Apartment Properties

Gross Amount At Which Carried At December 31, 2005

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	1,629,774	1,685,349
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	2,520,905	2,640,793
Woodcrest	70,000	1,559,574	1,629,574
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	1,196,795	1,243,118
Mill Creek	28,000	1,713,669	1,741,669
Portland II	15,000	800,439	815,439
Georgetown	50,393	935,345	985,738
Cloverdale	40,000	976,431	1,016,431
S. Timber Ridge	33,300	1,295,129	1,328,429
Pineville	60,006	371,453	431,459
Ravenwood	14,300	886,696	900,996
	\$1,611,052	\$38,016,798	\$39,627,850

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, 2005

SERIES 5 Partnership -----	Accumulated Depreciation -----	Depreciable Life -----
Seymour	\$ 797,841	5-27.5
Effingham	510,070	5-27.5
S.F. Winfield	216,239	5-27.5
S.F. Medicine Lodge	279,662	5-27.5
S.F. Ottawa	393,290	5-27.5
S.F. Concordia	375,457	5-27.5
Carrollton Club	1,461,477	5-27.5
Scarlett Oaks	785,740	5-27.5
Brooks Hill	810,553	5-27.5
Greensboro	392,895	5-30
Greensboro II	495,003	5-30
Pine Terrace	421,340	5-30
Shellman	430,474	5-30
Blackshear	721,190	5-30
Crisp Properties	518,091	5-30
Crawford	423,312	5-30
Yorkshire	796,370	5-50
Woodcrest	539,288	5-40
Fox Ridge	278,509	5-50
Redmont II	270,054	5-50
Clayton	447,062	5-27.5
Alma	536,724	5-25
Pemberton Village	411,565	5-27.5
Magic Circle	421,980	5-27.5
Spring Hill	786,896	5-25
Menard Retirement	215,825	5-30
Wallis Housing	281,626	5-30
Zapata Housing	418,320	5-27.5
Mill Creek	978,898	5-25
Portland II	350,024	5-27.5
Georgetown	392,096	5-50
Cloverdale	536,352	5-27.5
S. Timber Ridge	689,837	5-25
Pineville	228,819	5-27.5
Ravenwood	310,668	5-27.5
	-----	
	\$17,923,547	
	=====	

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, 2005

SERIES 6

Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Spruce	Pierre, SD	24	\$ 899,380
Shannon Apartments	O'Neill, NE	16	526,334
Carthage	Carthage, MO	24	560,784
Coal City	Coal City, IL	24	960,034
Blacksburg Terrace	Blacksburg, SC	32	1,066,186
Frazier	Smyrna, DE	30	1,447,206
Ehrhardt	Ehrhardt, SC	16	551,449
Sinton	Sinton, TX	32	835,901
Frankston	Frankston, TX	24	551,328
Flagler Beach	Flagler Beach, FL	43	1,387,561
Oak Ridge	Williamsburg, KY	24	798,509
Monett	Monett, MO	32	774,405
Arma	Arma, KS	28	706,394
Southwest City	Southwest City, MO	12	313,152
Meadowcrest	Luverne, AL	32	989,364
Parsons	Parsons, KS	48	1,236,989
Newport Village	Newport, TN	40	1,277,776
Goodwater Falls	Jenkins, KY	36	1,079,590
Northfield Station	Corbin, KY	24	784,913
Pleasant Hill Square	Somerset, KY	24	767,762
Winter Park	Mitchell, SD	24	985,291
Cornell	Watertown, SD	24	855,667
Heritage Drive S.	Jacksonville, TX	40	965,511
Brodhead	Brodhead, KY	24	773,333
Mt. Vilage	Mt. Vernon, KY	24	771,217
Hazlehurst	Hazlehurst, MS	32	947,285
Sunrise	Yankton, SD	33	1,142,294
Stony Creek	Hooversville, PA	32	1,319,720
Logan Place	Logan, OH	40	1,232,730
Haines	Haines, AK	32	2,346,100
Maple Wood	Barbourville, KY	24	782,820
Summerhill	Gassville, AR	28	782,592
Dorchester	St. George, SC	12	455,575
Lancaster	Mountain View, AR	33	1,076,918
Autumn Village	Harrison, AR	16	135,258
Hardy	Hardy, AR	25	284,053
Dawson	Dawson, GA	40	1,166,120
			-----
			\$33,537,501
			=====

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, 2005

SERIES 6

Apartment Properties

Cost At Acquisition

Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
Spruce	\$ 60,040	\$ 108,772	\$1,004,863
Shannon Apartments	5,000	94,494	596,971
Carthage	115,814	578,597	65,176
Coal City	60,055	1,121,477	129,536
Blacksburg Terrace	39,930	1,278,860	54,183
Frazier	51,665	1,619,209	5,968
Ehrhardt	9,020	671,750	24,756
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	9,864
Monett	170,229	782,795	43,587
Arma	85,512	771,316	41,675
Southwest City	67,303	319,272	42,334
Meadowcrest	72,500	1,130,651	28,913
Parsons	49,780	1,483,188	0
Newport Village	61,350	1,470,505	116,215
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	96,735
Cornell	32,000	1,017,572	85,353
Heritage Drive S.	44,247	1,151,157	25,147
Brodhead	21,600	932,468	19,001
Mt. Vilage	55,000	884,596	14,795
Hazelhurst	60,000	1,118,734	49,905
Sunrise	90,000	1,269,252	134,191
Stony Creek	0	1,428,656	224,027
Logan Place	39,300	1,477,527	10,085
Haines	189,323	2,851,953	46,461
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
	\$2,029,096	\$36,580,277	\$5,094,584

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, 2005

SERIES 6

Apartment Properties

Gross Amount At Which Carried At December 31, 2005

Partnership -----	Buildings, Improvements and Equipment			Total -----
	Land -----			
Spruce	\$ 86,308	\$ 1,087,367	\$ 1,173,675	
Shannon Apartments	21,526	674,939	696,465	
Carthage	120,393	639,194	759,587	
Coal City	60,055	1,251,013	1,311,068	
Blacksburg Terrace	39,930	1,333,043	1,372,973	
Frazier	51,665	1,625,177	1,676,842	
Ehrhardt	9,020	696,506	705,526	
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	1,005,646	1,045,646	
Monett	173,213	823,398	996,611	
Arma	89,512	808,991	898,503	
Southwest City	85,136	343,773	428,909	
Meadowcrest	87,700	1,144,364	1,232,064	
Parsons	49,780	1,483,188	1,532,968	
Newport Village	61,350	1,586,720	1,648,070	
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	96,692	1,216,162	1,312,854	
Cornell	39,848	1,095,077	1,134,925	
Heritage Drive S.	37,440	1,183,111	1,220,551	
Brodhead	21,600	951,469	973,069	
Mt. Vilage	55,000	899,391	954,391	
Hazelhurst	60,000	1,168,639	1,228,639	
Sunrise	112,363	1,381,080	1,493,443	
Stony Creek	108,200	1,544,483	1,652,683	
Logan Place	39,300	1,487,612	1,526,912	
Haines	189,323	2,898,414	3,087,737	
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	
	-----	-----	-----	
	\$2,265,582	\$41,438,375	\$43,703,957	
	=====	=====	=====	

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, 2005

SERIES 6 Partnership -----	Accumulated Depreciation -----	Depreciable Life -----
Spruce	\$ 472,908	5-30
Shannon Apartments	249,211	5-40
Carthage	439,200	5-27.5
Coal City	484,332	5-27.5
Blacksburg Terrace	734,142	5-27.5
Frazier	887,181	5-27.5
Ehrhardt	347,707	5-27.5
Sinton	298,059	5-50
Frankston	188,675	5-30
Flagler Beach	565,987	5-40
Oak Ridge	507,627	5-27.5
Monett	547,612	5-27.5
Arma	508,906	5-27.5
Southwest City	231,101	5-27.5
Meadowcrest	432,744	5-40
Parsons	815,700	5-27.5
Newport Village	832,195	5-27.5
Goodwater Falls	500,519	5-27.5
Northfield Station	352,725	5-27.5
Pleasant Hill Square	337,455	5-27.5
Winter Park	529,280	5-40
Cornell	405,119	5-40
Heritage Drive S.	640,993	5-25
Brodhead	333,161	5-40
Mt. Vilage	318,301	5-50
Hazelhurst	413,584	5-40
Sunrise	672,969	5-27.5
Stony Creek	555,684	5-27.5
Logan Place	643,006	5-27.5
Haines	1,437,268	5-27.5
Maple Wood	490,191	5-27.5
Summerhill	419,928	5-27.5
Dorchester	263,050	5-27.5
Lancaster	514,991	5-40
Autumn Village	220,236	5-40
Hardy	324,040	5-40
Dawson	444,845	5-40
	-----	
	\$18,360,632	
	=====	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2005  
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, 2004		\$28,527,836
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	73,690	
Improvements, etc.	17,225	
Other	0	
	-----	90,915
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	-----	0
		-----
Balance at end of period - December 31, 2005		\$28,618,751

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2004		\$12,747,926
Current year expense	875,459	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	0	
	-----	875,459
		-----
Balance at end of period - December 31, 2005		\$ 13,623,385
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2005  
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, 2004		\$28,251,449
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	112,479	
Improvements, etc.	7,867	
Other	0	
	-----	
		120,346
Deductions during period:		
Cost of real estate sold	0	
Other	(217)	
	-----	
		(217)
		-----
Balance at end of period - December 31, 2005		\$28,371,578

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2004		\$15,378,450
Current year expense	957,292	
Less Accumulated Depreciation of real estate sold	(217)	
Prior Year Adjustment	-----	
		957,075
		-----
Balance at end of period - December 31, 2005		\$16,335,525
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2005  
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, 2004		\$34,459,094
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	162,910	
Improvements, etc.	0	
Other	(11,742)	
	-----	151,168
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	-----	0
		-----
Balance at end of period - December 31, 2005		\$34,610,262
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2004		\$ 14,409,096
Current year expense	1,043,991	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	(11,742)	
	-----	1,032,249
		-----
Balance at end of period - December 31, 2005		\$15,441,345
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2005  
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, 2004 \$39,547,548

Additions during period:

Acquisitions through foreclosure	0	
Other acquisitions	80,302	
Improvements, etc.	0	
Other	0	
	-----	

80,302

Deductions during period:

Cost of real estate sold	0	
Other	0	
	-----	

0

Balance at end of period -  
December 31, 2005 \$39,627,850

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period -  
December 31, 2004 \$16,798,175

Current year expense	1,203,506	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	(78,134)	
	-----	

1,125,372

Balance at end of period -  
December 31, 2005 \$17,923,547

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2005  
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, 2004		\$44,755,037
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	185,160	
Improvements, etc.	20,099	
Other	0	
	-----	205,259
Deductions during period:		
Cost of real estate sold (Mt.Crest)	(1,256,339)	
Other	0	
	-----	(1,256,339)
Balance at end of period - December 31, 2005		\$43,703,957
		=====
Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2004		\$17,672,479
Current year expense	1,293,169	
Less Accumulated Depreciation of real estate sold	(604,692)	
Prior Year Adjustment	(324)	
	-----	688,153
Balance at end of period - December 31, 2005		\$18,360,632
		=====

GATEWAY TAX CREDIT FUND II LTD.  
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
 AS OF DECEMBER 31, 2005

SERIES 2

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Claxton Elderly	24	\$ 645,543	8.75%	5,883	50
Deerfield II	24	688,182	8.75%	6,284	50
Hartwell Family	24	691,577	8.75%	5,307	50
Cherrytree Apts.	33	1,176,846	8.75%	9,011	50
Springwood Apts.	32	1,228,426	8.75%	9,218	50
Lakeshore Apts.	34	1,033,546	8.75%	7,905	50
Lewiston	25	981,339	9.00%	7,720	50
Charleston	32	826,545	8.75%	6,333	50
Sallisaw II	47	1,174,201	8.75%	8,980	50
Pocola	36	968,414	8.75%	7,407	50
Inverness Club	72	2,932,551	8.75%	27,905	50
Pearson Elderly	25	609,336	9.00%	4,926	50
Richland Elderly	34	850,775	8.75%	6,517	50
Lake Park	48	1,457,698	9.00%	11,466	50
Woodland Terrace	30	870,724	8.75%	6,666	50
Mt. Vernon Elderly	21	562,874	8.75%	4,309	50
Lakeland Elderly	29	764,128	8.75%	5,882	50
Prairie Apartments	21	957,864	9.00%	7,515	50
Sylacauga Heritage	44	1,359,399	8.75%	10,536	50
Manchester Housing	49	1,428,157	8.75%	10,958	50
Durango C.W.W.	24	1,016,872	9.00%	7,739	50
Columbus Sr.	16	428,240	8.25%	3,102	50
		----- \$22,653,237 =====			

GATEWAY TAX CREDIT FUND II LTD.  
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
 AS OF DECEMBER 31, 2005

SERIES 3

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM ( YEARS )
Poteau II	52	\$ 1,270,711	9.50%	10,682	50
Sallisaw	52	1,287,935	9.50%	10,654	50
Nowata Properties	32	841,495	9.50%	6,905	50
Waldron Properties	24	626,721	9.00%	4,950	50
Roland II	52	1,285,942	9.50%	10,657	50
Stilwell	48	1,167,959	9.50%	9,727	50
Birchwood Apts.	24	773,447	9.50%	6,410	50
Hornellsville	24	876,030	9.00%	6,927	50
Sunchase II	41	1,184,875	9.00%	9,279	50
CE McKinley II	16	564,242	8.75%	5,146	50
Weston Apartments	10	268,421	9.00%	2,131	50
Countrywood Apts.	40	1,172,994	9.00%	9,310	50
Wildwood Apts.	28	833,336	9.50%	6,906	50
Hancock	12	347,546	9.50%	3,119	50
Hopkins	24	717,902	8.75%	5,815	50
Elkhart Apts.	54	1,091,444	9.00%	9,198	40
Bryan Senior	40	1,040,409	10.00%	9,455	50
Brubaker Square	38	1,093,035	9.00%	8,646	50
Southwood	44	1,460,633	9.25%	11,752	50
Villa Allegra	32	873,112	9.00%	7,053	50
Belmont Senior	24	741,969	9.00%	6,001	50
Heritage Villas	25	665,062	8.75%	5,110	50
Logansport Seniors	32	1,122,425	8.75%	6,745	50
		-----			
		\$21,307,645			
		=====			

GATEWAY TAX CREDIT FUND II LTD.  
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
 AS OF DECEMBER 31, 2005

SERIES 4

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Alsace Village	24	\$ 626,202	9.00%	4,915	50
Seneca Apartments	24	597,848	9.00%	4,692	50
Eudora Senior	36	941,472	8.75%	7,269	50
Westville	36	843,687	8.75%	6,448	50
Wellsville Senior	24	636,189	8.75%	4,859	50
Stilwell II	52	1,265,529	8.75%	9,672	50
Spring Hill Senior	24	684,132	8.75%	5,236	50
Smithfield	40	1,511,778	8.75%	11,746	50
Tarpon Heights	48	1,378,174	8.75%	9,347	50
Oaks Apartments	32	803,931	9.00%	6,663	50
Wynnwood Common	34	1,346,626	8.75%	10,300	50
Chestnut Apartments	24	839,849	8.75%	6,419	50
St. George	24	739,294	8.75%	5,677	50
Williston	24	784,387	9.00%	6,147	50
Brackettville Sr.	32	807,636	8.75%	6,172	50
Sonora Seniors	32	828,097	8.75%	6,337	50
Ozona Seniors	24	620,329	8.75%	4,744	50
Fredericksburg Sr.	48	1,182,632	8.75%	9,050	50
St. Joseph	24	813,356	9.00%	6,379	50
Courtyard	21	699,229	9.25%	5,622	50
Rural Development	25	1,185,652	9.25%	9,539	50
Jasper Villas	25	843,674	8.75%	6,450	50
Edmonton Senior	24	741,262	9.00%	5,688	50
Jonesville Manor	40	1,326,517	8.75%	10,159	50
Norton Green	40	1,317,543	8.75%	10,085	50
Owingsville Senior	22	693,852	9.00%	5,297	50
Timpson Seniors	28	661,234	8.75%	5,058	50
Piedmont	36	1,023,543	8.75%	7,856	50
S.F. Arkansas City	12	336,585	10.62%	3,056	50
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		\$26,080,239			
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GATEWAY TAX CREDIT FUND II LTD.  
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
 AS OF DECEMBER 31, 2005

SERIES 5

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM ( YEARS )
Seymour	37	\$ 1,215,031	8.75%	9,346	50
Effingham	24	789,511	8.75%	6,032	50
S.F. Winfield	12	328,582	11.37%	3,016	50
S.F. Medicine Lodge	16	448,128	10.62%	4,049	50
S.F. Ottawa	24	564,200	10.62%	5,126	50
S.F. Concordia	20	549,806	11.87%	5,498	50
Carrollton Club	78	2,627,989	7.75%	18,064	50
Scarlett Oaks	40	1,363,269	8.25%	9,870	50
Brooks Hill	44	1,434,970	8.25%	10,398	50
Greensboro	24	718,131	7.75%	4,937	50
Greensboro II	32	883,317	7.75%	6,129	50
Pine Terrace	24	712,726	8.25%	5,172	50
Shellman	27	725,144	8.25%	5,264	50
Blackshear	46	1,295,859	8.25%	9,389	50
Crisp Properties	31	914,201	8.25%	6,632	50
Crawford	25	731,007	8.25%	5,302	50
Yorkshire	60	2,044,999	8.25%	14,842	50
Woodcrest	40	1,249,783	8.25%	9,402	50
Fox Ridge	24	723,529	9.00%	5,673	50
Redmont II	24	683,142	8.75%	5,355	50
Clayton	24	656,169	8.25%	4,760	50
Alma	24	720,693	8.75%	8,018	50
Pemberton Village	24	627,037	8.75%	4,782	50
Magic Circle	24	642,726	8.75%	4,913	50
Spring Hill	36	1,106,183	8.25%	8,018	50
Menard Retirement	24	616,944	8.75%	4,715	50
Wallis Housing	24	393,566	8.75%	3,688	50
Zapata Housing	40	960,568	8.75%	7,377	50
Mill Creek	60	1,407,203	8.25%	10,192	50
Portland II	20	573,391	8.75%	4,388	50
Georgetown	24	727,534	8.25%	5,265	50
Cloverdale	24	744,795	8.75%	5,693	50
S. Timber Ridge	44	1,050,094	8.75%	7,986	50
Pineville	12	314,069	8.25%	2,318	50
Ravenwood	24	712,284	7.25%	4,595	50
		-----			
		\$31,256,580			
		=====			

GATEWAY TAX CREDIT FUND II LTD.  
 SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
 AS OF DECEMBER 31, 2005

SERIES 6

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
Spruce	24	\$ 899,380	8.75%	6,857	50
Shannon Apartments	16	526,334	8.75%	4,014	50
Carthage	24	560,784	8.75%	4,371	50
Coal City	24	960,034	7.75%	6,578	50
Blacksburg Terrace	32	1,066,186	8.25%	7,738	50
Frazier	30	1,447,206	8.25%	10,470	50
Ehrhardt	16	551,449	7.75%	3,791	50
Sinton	32	835,901	8.25%	6,063	50
Frankston	24	551,328	8.75%	4,207	50
Flagler Beach	43	1,387,561	8.25%	9,864	50
Oak Ridge	24	798,509	8.25%	5,800	50
Monett	32	774,405	8.25%	5,598	50
Arma	28	706,394	8.75%	5,388	50
Southwest City	12	313,152	8.25%	2,271	50
Meadowcrest	32	989,364	8.25%	7,160	50
Parsons	48	1,236,989	7.75%	8,485	50
Newport Village	40	1,277,776	7.75%	8,798	50
Goodwater Falls	36	1,079,590	7.75%	7,980	50
Northfield Station	24	784,913	7.75%	5,379	50
Pleasant Hill Square	24	767,762	7.75%	5,315	50
Winter Park	24	985,291	8.25%	7,131	50
Cornell	24	855,667	8.25%	6,193	50
Heritage Drive S.	40	965,511	8.25%	6,990	50
Brodhead	24	773,333	7.75%	5,303	50
Mt. Vilage	24	771,217	8.25%	5,574	50
Hazelhurst	32	947,285	8.25%	7,105	50
Sunrise	33	1,142,294	8.75%	8,711	50
Stony Creek	32	1,319,720	8.75%	9,065	50
Logan Place	40	1,232,730	8.25%	8,909	50
Haines	32	2,346,100	8.25%	16,950	50
Maple Wood	24	782,820	7.75%	5,381	50
Summerhill	28	782,592	8.25%	5,911	50
Dorchester	12	455,575	7.75%	3,118	50
Lancaster	33	1,076,918	7.75%	7,775	50
Autumn Village	16	135,258	7.00%	2,608	50
Hardy	25	284,053	6.00%	3,639	18
Dawson	40	1,166,120	7.25%	7,524	50
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		\$33,537,501			
		=====			

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 14, 2006

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

Date: July 14, 2006

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

Date: July 14, 2006

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

**EXHIBIT 31.1**

**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 14, 2006

By: /s/ Ronald M. Diner  
Ronald M. Diner  
President  
Raymond James Tax Credit Funds, Inc.  
(the Managing General Partner)

**EXHIBIT 31.2**

**CERTIFICATIONS\***

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 14, 2006

By: /s/ Jonathan Oorlog  
Jonathan Oorlog  
Vice President and Chief Financial Officer  
Raymond James Tax Credit Funds, Inc.  
(the Managing General Partner)

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

We, each hereby certify to the best of our knowledge that the Annual Report of Form 10-K of Gateway Tax Credit Fund II Ltd. for the year ended March 31, 2006 containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ronald M. Diner

President

Raymond James Tax Credit Funds, Inc.  
(the Managing General Partner)

July 14, 2006

/s/ Jonathan Oorlog

Vice President and Chief Financial Officer  
Raymond James Tax Credit Funds, Inc.

(the Managing General Partner)

July 14, 2006