

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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, 2007

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)

(IRS Employer No.)

880 Carillon Parkway, St. Petersburg, Florida 33716

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (727)567-1000

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

<u>Title of Each Class</u>	<u>Number of Units</u> <u>March 31, 2007</u>
<u>Beneficial Assignee Certificates</u>	<u>2,533</u>
<u>General Partner Interest</u>	<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 ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ 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 I, II, 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., (collectively the "General Partners") 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 Gateway 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, 2007, 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, 2007. 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.

Gateway initially held investments in 148 Project Partnerships. As more fully discussed in Item 7 herein, Gateway is presently in the process of disposing of its interests in Project Partnerships which have reached the end of their fifteen year tax credit compliance period. As of March 31, 2007, Gateway held investments in 136 Project Partnerships, 12 Project Partnerships have been sold as of March 31, 2007. As described in Note 8 herein, one additional Project Partnership has been sold subsequent to the fiscal year-end of March 31, 2007. Project Partnership investments by Series as of March 31, 2007 are as follows: 22 Project Partnerships for Series 2, 17 Project Partnerships for Series 3, 25 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, 2007, the capital received for 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, contained in the Registration Statement, File No. 33-31821 ("Prospectus") 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, under the caption "Investment Objectives and Policies" which is incorporated herein by reference.

Gateway's goal is 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, 2007 the investor capital contributions were successfully invested in Project Partnerships, which met the investment criteria. The Tax Credits have been delivered to Gateway and the fifteen year tax credit compliance period is now over for 129 of the 148 Project Partnership investments originally made. Gateway is now disposing of its remaining interests in Project Partnerships as they reach the end of their 15 year Tax Credit compliance period. Gateway's objective is to sell Gateway's interest in such properties for fair market value and ultimately, to liquidate the Project Partnerships and in turn ultimately liquidate Gateway.

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.

Of the original 148 Project Partnership investments, 129 have reached the end of their Tax Credit compliance period as of December 31, 2006 and those Project Partnerships that have yet to reach the end of their Tax Credit compliance period will do so no later than December 31, 2008. As of March 31, 2007, twelve of the Project Partnership investments have been sold and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales are payable to the Assignee Limited Partners of those series of Gateway. On a cumulative basis as of March 31, 2007, \$99,600 representing \$18.25 per Assignee Limited Partner unit in Series 3, \$157,126 representing \$18.23 per Assignee Limited Partner unit in Series 5 and \$224,074 representing \$22.17 per Assignee Limited Partner unit in Series 6 have been distributed to the Assignee Limited Partners of the respective series. An additional \$357,095 representing \$65.45 per Assignee Limited Partner unit in Series 3 and \$146,944 representing \$21.25 per Assignee Limited Partner unit in Series 4 have been distributed in May, 2007.

#### 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. No such contributions have been made during fiscal year 2007.

Investors eventually may be allocated profits for tax purposes which exceed any cash Gateway distributes to them. Under these circumstances, unless an investor has passive losses or credits to reduce such tax liability, the investor will have to pay federal income tax without a corresponding cash distribution from Gateway. Similarly, in the event of a sale or foreclosure of an apartment complex, an investor may be allocated taxable income, resulting in tax liability, in excess of any cash distributed to the investor as a result of such event.

There is no assurance that investors will receive any cash distributions from the sale or refinancing of a Project Partnership. The price at which a Project Partnership is sold may not be large enough to pay the mortgage and other expenses which must be paid at such time.

#### 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 net investment as of March 31, 2007 in a Project Partnership for each respective Series is: Series 2, 3 and 4 is 0% of both the series and Gateway's total assets as there are no Investment in Project Partnership balances in any of those series, Series 5 is 19.5% of the Series' total assets and 3.3% of Gateway's total assets, and Series 6 is 18.2% of the Series' total assets and 5.2% of Gateway's total assets. The following table provides certain summary information regarding the Project Partnerships in which Gateway had an interest as of December 31, 2006:

SERIES 2					OCCU-PANCY
PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	RATE
Claxton Elderly	Claxton, GA	24	9/90	808,632	100%
Deerfield II	Douglas, GA	24	9/90	854,562	38%
Hartwell Family	Hartwell, GA	24	9/90	859,698	88%
Cherrytree Apts.	Albion, PA	33	9/90	1,466,107	97%
Springwood Apts.	Westfield, NY	32	9/90	1,568,513	88%
Lakeshore Apts.	Tuskegee, AL	34	9/90	1,304,457	85%
Lewiston	Lewiston, NY	25	10/90	1,233,935	96%
Charleston	Charleston, AR	32	9/90	1,076,098	94%
Sallisaw II	Sallisaw, OK	47	9/90	1,517,589	100%
Pocola	Pocola, OK	36	10/90	1,245,870	89%
Inverness Club	Inverness, FL	72	9/90	3,496,824	94%
Pearson Elderly	Pearson, GA	25	9/90	781,460	100%
Richland Elderly	Richland, GA	34	9/90	1,057,871	97%
Lake Park	Lake Park, GA	48	9/90	1,794,542	85%
Woodland Terrace	Waynesboro, GA	30	9/90	1,082,192	97%
Mt. Vernon Elderly	Mt. Vernon, GA	21	9/90	700,935	100%
Lakeland Elderly	Lakeland, GA	29	9/90	955,814	97%
Prairie Apartments	Eagle Butte, SD	21	10/90	1,401,416	95%
Sylacauga Heritage	Sylacauga, AL	44	12/90	1,782,517	98%
Manchester Housing	Manchester, GA	49	1/91	1,781,614	98%
Durango C.W.W.	Durango, CO	24	1/91	1,377,518	96%
Columbus Seniors	Columbus, KS	16	5/92	542,054	100%
		724		\$28,690,218	
		====		=====	

The aggregate average effective rental income per unit for the year-ended December 31, 2006 is \$4,125 per year (\$344 per month)

SERIES 3					OCCU-PANCY
PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	RATE
Poteau II	Poteau, OK	52	8/90	1,789,148	89%
Sallisaw	Sallisaw, OK	52	8/90	1,744,103	96%
Nowata Properties	Oologah, OK	32	8/90	1,148,484	69%
Waldron Properties	Waldron, AR	24	9/90	860,273	96%
Roland II	Roland, OK	52	10/90	1,804,010	83%
Stilwell	Stilwell, OK	48	10/90	1,597,701	98%
Hornellsville	Arkport, NY	24	9/90	1,170,316	88%
Sunchase II	Watertown, SD	41	9/90	1,480,119	100%
CE McKinley II	Rising Sun, MD	16	9/90	848,662	100%
Weston Apartments	Weston, AL	10	11/90	347,577	100%
Countrywood Apts.	Centreville, AL	40	11/90	1,621,545	98%
Wildwood Apts.	Pineville, LA	28	11/90	1,106,688	96%
Hancock	Hawesville, KY	12	12/90	440,425	100%
Hopkins	Madisonville, KY	24	12/90	927,256	100%
Elkhart Apts.	Elkhart, TX	54	1/91	1,690,509	87%
Heritage Villas	Helena, GA	25	3/91	824,759	96%
Logansport Seniors	Logansport, LA	32	3/91	1,384,751	94%
		566		\$20,786,326	
		====		=====	

The average effective rental income per unit for the year-ended December 31, 2006 is \$3,876 per year (\$323 per month).

Item 2. Properties (continued):

## SERIES 4

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU- PANCY RATE
Seneca Apartments	Seneca, MO	24	2/91	821,129	100%
Eudora Senior	Eudora, KS	36	3/91	1,290,143	92%
Westville	Westville, OK	36	3/91	1,101,686	97%
Wellsville Senior	Wellsville, KS	24	3/91	810,970	88%
Stilwell II	Stilwell, OK	52	3/91	1,657,974	92%
Spring Hill Sr.	Spring Hill, KS	24	3/91	1,036,369	100%
Tarpon Heights	Galliano, LA	48	4/91	2,263,014	94%
Oaks Apartments	Oakdale, LA	32	4/91	1,532,159	97%
Wynnwood Common	Fairchance, PA	34	4/91	1,725,462	100%
Chestnut Apts.	Howard, SD	24	5/91	1,079,682	33%
St. George	St. George, SC	24	6/91	939,018	96%
Williston	Williston, SC	24	6/91	990,026	100%
Brackettville Sr.	Brackettville, TX	32	6/91	1,042,263	97%
Sonora Seniors	Sonora, TX	32	6/91	1,047,032	97%
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	100%
Courtyard	Huron, SD	21	6/91	886,309	100%
Rural Development	Ashland, ME	25	6/91	1,429,003	100%
Jasper Villas	Jasper, AR	25	6/91	1,122,986	96%
Jonesville Manor	Jonesville, VA	40	6/91	1,784,429	98%
Norton Green	Norton, VA	40	6/91	1,828,850	100%
Timpson Seniors	Timpson, TX	28	8/91	815,916	86%
Piedmont	Barnesville, GA	36	8/91	1,289,047	97%
S.F. Arkansas City	Arkansas City, KS	12	8/91	412,028	92%
		769		\$30,128,719	

The average effective rental income per unit for the year-ended December 31, 2006 is \$4,023 per year (\$335 per month).

## SERIES 5

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU- PANCY RATE
Seymour	Seymour, IN	37	8/91	1,517,702	87%
Effingham	Effingham, IL	24	8/91	980,617	100%
S.F. Winfield	Winfield, KS	12	8/91	402,402	83%
S.F. Medicine Lodge	Medicine Lodge, KS	16	8/91	572,924	56%
S.F. Ottawa	Ottawa, KS	24	8/91	732,342	92%
S.F. Concordia	Concordia, KS	20	8/91	695,908	95%
Carrollton Club	Carrollton, GA	78	9/91	3,217,901	97%
Scarlett Oaks	Lexington, SC	40	9/91	1,691,514	100%
Brooks Hill	Ellijay, GA	44	9/91	1,760,233	100%
Greensboro	Greensboro, GA	24	9/91	866,259	92%
Greensboro II	Greensboro, GA	32	9/91	1,088,664	100%
Pine Terrace	Wrightsville, GA	24	9/91	886,334	88%
Shellman	Shellman, GA	27	9/91	901,648	96%
Blackshear	Cordele, GA	46	9/91	1,602,433	100%
Crisp Properties	Cordele, GA	31	9/91	1,128,784	90%
Crawford	Crawford, GA	25	9/91	907,712	96%
Yorkshire	Wagoner, OK	60	9/91	2,657,927	85%
Woodcrest	South Boston, VA	40	9/91	1,632,414	100%
Fox Ridge	Russellville, AL	24	9/91	889,941	92%
Redmont II	Red Bay, AL	24	9/91	840,596	96%
Clayton	Clayton, OK	24	9/91	871,530	96%
Alma	Alma, AR	24	9/91	957,710	100%
Pemberton Village	Hiawatha, KS	24	9/91	776,725	83%
Magic Circle	Eureka, KS	24	9/91	823,643	75%
Spring Hill	Spring Hill, KS	36	9/91	1,449,378	100%
Menard Retirement	Menard, TX	24	9/91	759,136	100%
Wallis Housing	Wallis, TX	24	9/91	578,333	92%
Zapata Housing	Zapata, TX	40	9/91	1,243,118	100%
Mill Creek	Grove, OK	60	11/91	1,741,669	100%
Portland II	Portland, IN	20	11/91	817,378	80%
Georgetown	Georgetown, OH	24	11/91	996,605	96%
Cloverdale	Cloverdale, IN	24	1/92	1,018,712	100%
So. Timber Ridge	Chandler, TX	44	1/92	1,347,586	98%
Pineville	Pineville, MO	12	5/92	433,980	83%
Ravenwood	Americus, GA	24	1/94	900,996	96%
		1,080		\$39,690,754	

The average effective rental income per unit for the year-ended December 31, 2006 is \$4,025 per year (\$335 per month).

Item 2. Properties (continued):

## SERIES 6

PARTNERSHIP	LOCATION OF PROPERTY	# OF UNIT	DATE ACQUIRED	PROPERTY COST	OCCU- PANCY RATE
-----	-----	----	-----	-----	-----
Spruce	Pierre, SD	24	11/91	1,181,526	67%
Shannon	O'Neill, NE	16	11/91	704,794	88%
Carthage	Carthage, MO	24	1/92	775,095	92%
Coal City	Coal City, IL	24	3/92	1,328,623	100%
Blacksburg Terrace	Blacksburg, SC	32	4/92	1,378,516	100%
Frazer Place	Smyrna, DE	30	4/92	1,676,842	100%
Ehrhardt	Ehrhardt, SC	16	4/92	709,881	88%
Sinton	Sinton, TX	32	4/92	1,053,059	97%
Frankston	Frankston, TX	24	4/92	676,931	92%
Flagler Beach	Flagler Beach, FL	43	5/92	1,718,676	100%
Oak Ridge	Williamsburg, KY	24	5/92	1,045,646	92%
Monett	Monett, MO	32	5/92	1,034,586	97%
Arma	Arma, KS	28	5/92	908,494	100%
Southwest City	Southwest City, MO	12	5/92	436,882	83%
Meadowcrest	Luverne, AL	32	6/92	1,238,475	97%
Parsons	Parsons, KS	48	7/92	1,532,968	98%
Newport Village	Newport, TN	40	7/92	1,678,210	100%
Goodwater Falls	Jenkins, KY	36	7/92	1,414,978	100%
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	1,331,731	92%
Cornell	Watertown, SD	24	7/92	1,167,799	92%
Heritage Drive So.	Jacksonville, TX	40	1/92	1,235,098	95%
Brodhead	Brodhead, KY	24	7/92	982,688	96%
Mt. Village	Mt. Vernon, KY	24	7/92	959,509	96%
Hazlehurst	Hazlehurst, MS	32	8/92	1,190,156	100%
Sunrise	Yankton, SD	33	8/92	1,499,593	100%
Stony Creek	Hooversville, PA	32	8/92	1,656,135	88%
Logan Place	Logan, OH	40	9/92	1,526,912	93%
Haines	Haines, AK	32	8/92	3,107,763	84%
Maple Wood	Barbourville, KY	24	8/92	1,039,790	100%
Summerhill	Gassville, AR	28	9/92	1,319,786	93%
Dorchester	St. George, SC	12	9/92	561,008	100%
Lancaster	Mountain View, AR	33	9/92	1,387,035	100%
Autumn Village	Harrison, AR	16	7/92	616,082	88%
Hardy	Hardy, AR	25	7/92	931,989	96%
Dawson	Dawson, GA	40	11/93	1,474,973	98%
		----		-----	
		1,048		\$44,466,716	
		=====		=====	

The average effective rental income per unit for the year-ended December 31, 2006 is \$4,409 per year (\$367 per month).

Item 2. Properties (continued):

A summary of the book value of the fixed assets of the properties at December 31, 2006, 2005 and 2004 is as follows:

	12/31/06		
	SERIES 2	SERIES 3	SERIES 4
Land	\$ 1,012,180	\$ 684,171	\$ 1,022,612
Land Improvements	176,254	60,548	189,887
Buildings	26,493,385	18,752,377	27,284,781
Furniture and Fixtures	1,008,399	1,289,230	1,631,439
Construction in Progress	0	0	0
	-----	-----	-----
Properties, at Cost	28,690,218	20,786,326	30,128,719
Less: Accum.Depreciation	14,509,817	12,941,903	14,557,123
	-----	-----	-----
Properties, Net	\$ 14,180,401	\$ 7,844,423	\$ 15,571,596
	=====	=====	=====

	SERIES 5	SERIES 6	TOTAL
Land	\$ 1,451,551	\$ 1,709,391	\$ 5,879,905
Land Improvements	160,551	569,385	1,156,625
Buildings	36,218,888	39,614,448	148,363,879
Furniture and Fixtures	1,859,764	2,573,492	8,362,324
Construction in Progress	0	0	0
	-----	-----	-----
Properties, at Cost	39,690,754	44,466,716	163,762,733
Less: Accum.Depreciation	19,192,129	19,596,977	80,797,949
	-----	-----	-----
Properties, Net	\$ 20,498,625	\$ 24,869,739	\$ 82,964,784
	=====	=====	=====

	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
	-----	-----	-----
Properties, at Cost	28,618,751	28,371,578	34,610,262
Less: Accum.Depreciation	13,623,386	16,335,525	15,441,345
	-----	-----	-----
Properties, Net	\$ 14,995,365	\$ 12,036,053	\$ 19,168,917
	=====	=====	=====

	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
	-----	-----	-----
Properties, at Cost	39,627,850	43,703,957	174,932,398
Less: Accum.Depreciation	17,923,547	18,360,632	81,684,435
	-----	-----	-----
Properties, Net	\$ 21,704,303	\$ 25,343,325	\$ 93,247,963
	=====	=====	=====

	12/31/04		
	SERIES 2	SERIES 3	SERIES 4
Land	\$ 1,012,180	\$ 985,546	\$ 1,188,112
Land Improvements	136,496	123,414	222,427
Buildings	26,404,542	25,586,168	31,289,900
Furniture and Fixtures	936,014	1,556,321	1,758,655
Construction in Progress	38,604	0	0
	-----	-----	-----
Properties, at Cost	28,527,836	28,251,449	34,459,094
Less: Accum.Depreciation	12,747,926	15,378,450	14,409,096
	-----	-----	-----
Properties, Net	\$ 15,779,910	\$ 12,872,999	\$ 20,049,998
	=====	=====	=====

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



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, 2007, 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 as of March 31, 2007</u>
Beneficial Assignee Certificates	2,533
General Partner Interest	2

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31,:

SERIES 2	2007 ----	2006 ----	2005 ----	2004 ----	2003 ----
Total Revenues	\$ 15,209	\$ 7,263	\$ 13,938	\$ 12,820	\$ 12,665
Net Loss	(119,127)	(156,399)	(97,520)	(92,200)	(85,230)
Equity in (Losses) of Project Partnerships	0	(32,092)	(10,911)	(8,484)	(17,624)
Total Assets	257,364	316,805	394,306	445,532	523,794
Investments In Project Partnerships	0	0	34,391	47,597	58,381
Per BAC: (A)					
Tax Credits	.02	.14	.14	.14	2.79
Portfolio Income	6.65	4.74	4.18	5.18	7.31
Passive Loss	(125.58)	(129.62)	(142.06)	(157.55)	(146.95)
Net Loss	(19.22)	(25.23)	(15.73)	(14.88)	(13.75)

FOR THE YEARS ENDED MARCH 31,:

SERIES 3	2007 ----	2006 ----	2005 ----	2004 ----	2003 ----
Total Revenues	\$ 20,439	\$ 22,861	\$ 18,781	\$ 22,801	\$ 21,167
Net Income (Loss)	305,962	(108,278)	(77,647)	(77,243)	(82,729)
Equity in Income (Losses) of Project Partnerships	490	0	0	(5,137)	(25,505)
Total Assets	598,431	294,987	329,653	344,724	405,777
Investments In Project Partnerships	0	0	0	0	6,633
Per BAC: (A)					
Tax Credits	0	0	0	.17	1.38
Portfolio Income	11.09	6.85	5.78	6.54	7.92
Passive Loss	(118.50)	(137.15)	(147.47)	(159.39)	(137.28)
Net Income (Loss)	46.84	(19.65)	(14.09)	(14.02)	(15.01)

Item 6. Selected Financial Data

FOR THE YEARS ENDED MARCH 31, :

SERIES 4	2007	2006	2005	2004	2003
	----	----	----	----	----
Total Revenues	\$ 20,091	\$ 18,473	\$ 16,181	\$ 27,960	\$ 14,116
Net Loss	(79,276)	(138,304)	(102,967)	(98,159)	(160,313)
Equity in Income					
(Losses) of					
Project					
Partnerships	0	0	0	(8,763)	(77,657)
Total Assets	469,913	396,889	445,208	472,775	536,633
Investments In					
Project					
Partnerships	0	0	0	0	12,279
Per BAC: (A)					
Tax Credits	0	1.22	.21	1.22	2.98
Portfolio					
Income	9.68	5.99	5.11	4.16	8.48
Passive Loss	(149.08)	(150.52)	(140.52)	(134.34)	(147.73)
Net Loss	(20.70)	(19.80)	(14.74)	(14.05)	(22.95)

FOR THE YEARS ENDED MARCH 31, :

SERIES 5	2007	2006	2005	2004	2003
	----	----	----	----	----
Total Revenues	\$ 26,812	\$ 22,819	\$ 27,663	\$ 16,981	\$ 20,909
Net Income(Loss)	(194,685)	(208,790)	15,153	(265,039)	(261,993)
Equity in Losses					
of Project					
Partnerships	(5,528)	(22,512)	(21,348)	(133,705)	(159,492)
Total Assets	402,832	508,067	773,331	827,194	1,073,840
Investments In					
Project					
Partnerships	125,403	151,630	202,405	229,630	376,275
Per BAC: (A)					
Tax Credits	0	0	2.33	8.66	54.70
Portfolio					
Income	5.89	5.79	5.39	4.81	6.71
Passive Loss	(118.24)	(112.76)	(151.09)	(148.50)	(136.53)
Net Income(Loss)	(22.37)	(23.99)	(6.71)	(30.45)	(30.10)

FOR THE YEARS ENDED MARCH 31, :

SERIES 6	2007	2006	2005	2004	2003
	----	----	----	----	----
Total Revenues	\$ 29,678	\$ 26,354	\$ 32,039	\$ 21,129	\$ 16,919
Net Loss	(332,668)	(342,258)	(198,709)	(294,767)	(334,594)
Equity in Losses					
of Project					
Partnerships	(7,156)	(25,699)	(65,236)	(148,498)	(209,950)
Total Assets	683,149	914,235	1,374,037	1,467,978	1,731,924
Investments In					
Project					
Partnerships	208,779	372,285	781,147	858,488	1,024,672
Per BAC: (A)					
Tax Credits	0	0	3.81	15.16	129.74
Portfolio					
Income	9.85	7.33	5.34	5.41	7.48
Passive Loss	(99.04)	(96.72)	(99.58)	(109.10)	(115.70)
Net Loss	(32.59)	(42.09)	(19.47)	(28.88)	(32.78)

(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 (the "Act") mandates or suggests additional compliance measures with regard to governance, disclosure, audit and other areas and certain provisions of the Act will require implementation by Gateway in subsequent years. In light of these additional requirements, Gateway has and expects to continue to incur increased expenses related to compliance with the Act.

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.

Gateway - All Series - The following discusses the overall results of operations, liquidity and capital resources for Gateway as a whole. A summary of the activity within each specific Series of Gateway then follows.

Distribution income arises from any cash distributions received from Project Partnerships which have a zero investment balance for financial reporting purposes. Distribution income increased 15% in fiscal year 2007 to \$112,229, an increase of \$14,459 from the fiscal year 2006 distribution income of \$97,770, which represented a \$10,832 or 10% decrease as compared to distribution income of \$108,602 in fiscal year 2005.

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

Total expenses of Gateway were \$1,082,466 for the fiscal year ended March 31, 2007, a decrease of \$196,394 as compared to the fiscal year 2006 total expenses of \$1,278,860, which represented a \$578,029 increase in total expenses over the fiscal year 2005 amount of \$700,831. Impairment expense represents a significant component of total expenses in fiscal year 2007 and 2006. Impairment expense is a non-cash element of expense that arises whenever events or changes in circumstances indicate that the recorded carrying value of a respective Investment in Project Partnership may not be recoverable. During fiscal year 2007, impairment expense was recorded in the aggregate amount of \$103,003. In fiscal year 2006, the impairment expense recorded was \$343,241. Net of this impairment expense, expenses of Gateway increased \$43,844, or 5% in fiscal year 2007 versus fiscal year 2006. The increase in fiscal year 2007 results from increases in the expense of the General Partner in administering the business of Gateway as well as increases in the cost of third-parties who provide services such as audit services to Gateway. The fiscal year 2006 expense represented a \$234,788, or 34% increase over the fiscal year 2005 amount of \$700,831.

The sources of funds to pay the expenses of Gateway are cash and cash equivalents and short-term investments which are comprised of U.S. Treasury Security Strips ("Zero Coupon Treasuries") and U.S. Treasury Notes along with the interest earnings thereon, which were purchased with funds set aside for this purpose, and cash distributed to the Series from the operations of the Project Partnerships. Due to the rent limitations applicable to the Project Partnerships projects as a result of their qualifying for Low-Income Housing Tax Credits, Gateway does not expect there to be a significant increase in future rental income of the Project Partnerships. Therefore, cash distributions from the operations of the Project Partnerships are not expected to increase. Management believes these 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.

For the year ended March 31, 2007 the Project Partnerships reported losses of \$12,194 which represents a \$68,109 decrease as compared to the Losses from Project Partnerships for the year ended March 31, 2006 of \$80,303. For the fiscal year ended March 31, 2005, the Project Partnerships reported a loss of \$97,495. Typically, it is customary in the low-income housing tax credit industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. Since Gateway invests as a limited partner in Project Partnerships, and is therefore not obligated to fund losses or make additional capital contributions, Gateway does not recognize losses from individual Project Partnerships to the extent that these losses would reduce the investment balance below zero. Therefore, as the Project Partnership investments mature and the Investments in Project Partnership balances decrease over time, the Losses from Project Partnerships recorded by Gateway decrease.

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

In fiscal year 2007, the Gain on Sale of Project Partnerships amounted to \$475,364, an increase from the fiscal year 2006 Gain on Sale of Project Partnerships amount of \$224,074 which was an increase over the fiscal year 2005 Gain on Sale of Project Partnerships of \$157,126. In addition in fiscal year 2007, \$128,050 of Gain on Sale of Project Partnerships was deferred for revenue recognition purposes and is reflected on the Balance Sheet as of March 31, 2007. This Deferred Gain will be recognized on the statement of operations in fiscal year 2008 when the proceeds are received. As more fully discussed herein, ten Project Partnership investments were sold or disposed of in fiscal year 2007 as compared to fiscal year 2006 and fiscal year 2005 when one Project Partnership investment was sold in each year. The amount of the gain or loss on a sale of a Project Partnership and the year in which it is recognized on the statement of operations is dependent upon the specifics related to each sale or disposition transaction. Refer to the discussion of each Project Partnership sold in the exit strategy section that follows.

In total, Gateway reported a loss of \$419,794 from operations for the year ended March 31, 2007. Cash and Cash Equivalents decreased by \$401,872 but Investments in Securities increased by \$444,723. Of the Cash and Cash Equivalents on hand as of March 31, 2007, \$376,063 is payable to certain series' Assignees arising from the sale of Project Partnerships during fiscal year 2007, which are for distribution to those certain Assignees in fiscal 2008. After consideration of these sales proceeds, cash and cash equivalents and Investments in Securities decreased \$333,212 as compared to the prior year-end balances.

The financial performance of each respective Series is summarized as follows:

Series 2 - Gateway closed this series on September 14, 1990 after receiving \$6,136,000 from 375 Assignees. As of March 31, 2007, 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 93% as of December 31, 2006.

Equity in Losses of Project Partnerships decreased \$32,092 to \$0 for the year ended March 31, 2007, the fiscal year 2006 losses represented an increase of \$21,181 from the fiscal year 2005 loss amount of \$10,911. As presented in Note 5, Gateway's share of net loss decreased from \$679,662 for the year ended March 31, 2005 to \$637,400 for the year ended March 31, 2006 and to \$527,581 for the year ended March 31, 2007. Suspended Losses were \$668,751 for the year ended March 31, 2005, \$605,308 for the year ended March 31, 2006 and \$527,581 for the year ended March 31, 2007. If not suspended, these losses would have reduced 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 \$869,716, \$875,459, and \$886,432 for the years ended December 31, 2004, 2005, and 2006 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 until the year of disposition. Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At March 31, 2007, the Series had \$129,724 of short-term investments (Cash and Cash Equivalents). In addition, the Series had \$127,640 in U. S. Treasury Notes with a maturity value of \$127,000 at June 30, 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 \$119,127 for the year ending March 31, 2007. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was \$77,279. Cash used in investing activities totaled \$43,526, consisting of \$15,209 in cash distributions from the Project Partnerships and \$66,276 from matured Zero Coupon Treasuries, offset by \$125,011 used to purchase U.S. Treasury Notes in July 2006.

Series 3 - Gateway closed this series on December 13, 1990 after receiving \$5,456,000 from 398 Assignees. As of March 31, 2007 the series had invested \$2,866,874 in 17 Project Partnerships located in 12 states containing 566 apartment units. Average occupancy of the Project Partnerships was 92% as of December 31, 2006.

Equity in Income of Project Partnerships was \$490 for the year ended March 31, 2007, an increase from \$0 for each of fiscal year 2006 and 2005. As presented in Note 5, Gateway's share of net loss decreased from \$727,644 for the year ended March 31, 2005 to \$595,587 for the year ended March 31, 2006 and to \$334,438 for the year ended March 31, 2007. Suspended Losses decreased from \$727,644 for the year ended March 31, 2005 to \$595,587 for the year ended March 31, 2006 and to \$333,948 for the year ended March 31, 2007. If not suspended, these losses would have reduced the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$973,367, \$965,926 and \$731,144 for the years ended December 31, 2004, 2005 and 2006, respectively.) Overall, management believes these Project Partnerships are operating as expected and have generated Tax Credits which met projections.

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

At March 31, 2007, the Series had \$426,791 of short-term investments (Cash and Cash Equivalents). In addition, the Series had \$127,640 in U.S. Treasury Notes with a maturity value of \$127,000 at June 30, 2007. Management believes these sources of funds are sufficient to meet the Series' current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had net income of \$305,962 for the year ended March 31, 2007. However, after adjusting the changes in operating assets and liabilities, net cash used in operating activities was \$77,016. Cash provided by investing activities totaled \$369,892, consisting of \$20,439 in cash distributions from the Project Partnerships, \$415,512 from the sale of 5 Project (Proceeds totaling \$44,000 from the sale of 1 Project Partnership were received after year-end.), and \$58,952 from matured Zero Coupon Treasuries, offset by \$125,011 used to purchase U.S. Treasury Notes in July 2006. Cash used in financing activities (distributions to Limited Partners) totaled \$102,120.

Series 4 - Gateway closed this series on May 31, 1991 after receiving \$6,915,000 from 465 Assignees. As of March 31, 2007, the series had invested \$4,273,215 in 25 Project Partnerships located in 16 states containing 769 apartment units. Average occupancy of the Project Partnerships was 94% at December 31, 2006.

Equity in Losses of Project Partnerships was \$0 for the year ended March 31, 2007, no change from each of fiscal year 2006 and 2005. As presented in Note 5, Gateway's share of net loss decreased from \$806,547 for the year ended March 31, 2005 to \$684,436 for the year ended March 31, 2006 and to \$592,559 for the year ended March 31, 2007. Suspended Losses decreased from \$806,547 for the year ended March 31, 2005 to \$684,436 for the year ended March 31, 2006 and to \$592,559 for the year ended March 31, 2007. If not suspended, these losses would have reduced the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,045,249, \$1,044,298 and \$921,420 for the years ended December 31, 2004, 2005 and 2006, respectively.) Overall, management believes these Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2007, the Series had \$206,516 of short-term investments (Cash and Cash Equivalents). In addition, the Series had \$178,897 in U.S. Treasury Notes with a maturity value of \$178,000 at June 30, 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 loss of \$79,276 from operations for the year ended March 31, 2007. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was \$97,692. Cash used in investing activities totaled \$16,436, consisting of \$20,091 in cash distributions from the Project Partnerships, \$64,000 from the sale of 2 Project Partnerships (Proceeds totaling \$84,500 from the sale of 2 Project Partnerships were received after year-end.), and \$74,685 from matured Zero Coupon Treasuries, offset by \$175,212 used to purchase U.S. Treasury Notes in July 2006. Cash used in financing activities totaled \$1,560.

Series 5 - Gateway closed this series on October 11, 1991 after receiving \$8,616,000 from 535 Assignees. As of March 31, 2007, 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 94% as of December 31, 2006.

Equity in Losses of Project Partnerships decreased \$16,984 to \$5,528 in fiscal year 2007, as compared to \$22,512 in fiscal year 2006. The fiscal year 2006 amount was a \$1,164 increase from the fiscal year 2005 losses of \$21,348. As presented in Note 5, Gateway's share of net loss decreased from \$772,904 for the year ended March 31, 2005 to \$724,141 for the year ended March 31, 2006 and then increased to \$738,149 for the year ended March 31, 2007. Suspended losses decreased from \$746,794 for the year ended March 31, 2005 to \$701,629 for the year ended March 31, 2006 and then increased to \$732,621 for the year ended March 31, 2007. If not suspended, these losses would have reduced the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,247,246, \$1,203,506 and \$1,220,039 for the years ended December 31, 2004, 2005 and 2006, 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. There were no impairment expenses in fiscal years 2007, 2006, and 2005. Overall, management believes these Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2007, the Series had \$175,920 of short-term investments (Cash and Cash Equivalents). In addition, the Series had \$101,509 in U.S. Treasury Notes with a maturity value of \$101,000 at June 30, 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 \$194,685 for the year ended March 31, 2007. However, after adjusting for Equity in Losses of Project Partnerships of \$5,528 and the changes in operating assets and liabilities, net cash used in

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

operating activities was \$112,262. Cash provided by investing activities totaled \$25,743 consisting of \$32,075 in cash distributions from the Project Partnerships and \$93,086 from matured Zero Coupon Treasuries, offset by \$99,418 used to purchase U.S. Treasury Notes in July 2006.

Series 6 - Gateway closed this series on March 11, 1992 after receiving \$10,105,000 from 625 Assignees. As of March 31, 2007, 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 95% as of December 31, 2006.

Equity in Losses of Project Partnerships decreased \$18,543 to \$7,156 in fiscal year 2007 as compared to losses of \$25,699 for fiscal year 2006. The fiscal year 2006 losses were a \$39,537 decrease from a loss amount of \$65,236 recorded in fiscal year 2005. As presented in Note 5, Gateway's share of net loss decreased from \$673,713 for the year ended March 31, 2005 to \$590,957 for the year ended March 31, 2006 and to \$569,570 for the year ended March 31, 2007. Suspended losses decreased from \$608,477 for the year ended March 31, 2005 to \$565,258 for the year ended March 31, 2006 and to \$562,414 for the year ended March 31, 2007. If not suspended, these losses would have reduced the investment in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of \$1,367,028, \$1,293,203 and \$1,303,827 for the years ended December 31, 2004, 2005 and 2006, 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 years ended March 31, 2007 and 2006, impairment expenses of \$103,003 and \$343,241 were recognized. There was no impairment expense in fiscal year 2005. Overall, management believes these Project Partnerships are operating as expected and have generated Tax Credits which met projections.

At March 31, 2007, the Series had \$193,964 of short-term investments (Cash and Cash Equivalents). In addition, the Series had \$280,406 in U.S. Treasury Notes with a maturity value of \$279,000 at June 30, 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 \$332,668 for the year ended March 31, 2007. However, after adjusting for Equity in Losses of Project Partnerships of \$7,156 and the changes in operating assets and liabilities, net cash used in operating activities was \$116,082. Cash used in investing activities totaled \$153,534 consisting of \$38,096 in cash distributions from the Project Partnerships and \$83,000 from matured Zero Coupon Treasuries, offset by \$274,630 used to purchase U.S. Treasury Notes in July 2006.

Exit Strategy

The IRS compliance period for low-income housing Tax Credit properties is generally 15 years from occupancy following construction or rehabilitation completion. Gateway is currently in the process of disposing of its investments in Project Partnerships which have reached the end of their fifteen year Tax Credit compliance period. Gateway's objective is to sell Gateway's interest in such assets for fair market value and ultimately, to liquidate the Project Partnerships. Generally, the market for Project Partnerships is limited. Some of the factors which negatively impact the marketability of these projects include (1) requirements by government agencies or the project's debt holder to continue to maintain the property in the low-income housing program, and (2) the mortgage balance of the property is very near the initial balance as a result of the heavily subsidized debt of the Project Partnerships and lengthy (usually 50 year) amortization periods.

As of March 31, 2007, Gateway holds a limited partner interest in 136 Project Partnerships which own and operate government assisted multi-family housing complexes. Project investments by Series are as follows: 22 Project Partnerships for Series 2, 17 Project Partnerships for Series 3, 25 Project Partnerships for Series 4, 35 Project Partnerships for Series 5, and 37 Project Partnerships for Series 6. Many of the Project Partnerships have reached the end of their Tax Credit compliance period. As of March 31, 2007, twelve of the Project Partnerships have been sold (6 in Series 3, 4 in Series 4, 1 in Series 5, and 1 in Series 6) and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales either have been or will be distributed to the Assignees of the respective Series. Gateway at one time held investments in 148 Project Partnerships (22 in Series 2, 23 in Series 3, 29 in Series 4, 36 in Series 5, and 38 in Series 6). The transaction summaries for the Project Partnerships sold during the past three fiscal years are summarized below:

Fiscal Year 2007 Disposition Activity:

Series 3

In March 2007, Gateway sold its Project Partnership investment in Belmont Senior Apartments. In accordance with FASB No. 66 ("FASB No. 66") "Accounting for Sales of Real Estate," although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated gain on the sale of this investment of \$43,850 is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of

Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed to the Series 3 Assignees in the amount of \$8.04 per beneficial assignee certificate during the first quarter of fiscal year 2008.

In January 2007, Gateway sold its Project Partnership investment in Southwood Apartments. Gateway received \$42,652 in net proceeds (\$7.82 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Plaza Senior Village Apartments. Gateway received \$82,145 in net proceeds (\$15.06 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Brubaker Square Apartments. Gateway received \$115,009 in net proceeds (\$21.08 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Villa Allegra Apartments. Gateway received \$73,408 in net proceeds (\$13.45 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In November 2006, Gateway sold its Project Partnership investment in Birchwood Apartments. Gateway received \$99,410 in net proceeds (\$18.25 per beneficial assignee certificate) for the sale of the Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 3 Assignees in December 2006.

#### Series 4

In March 2007, Gateway sold its Project Partnership investment in Edmonton Senior Apartments. In accordance with FASB No. 66, although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated gain on the sale of this investment of \$38,350 is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed in the amount of \$5.55 per beneficial assignee certificate to the Series 4 Assignees during the first quarter of fiscal year 2008.

In March 2007, Gateway sold its Project Partnership investment in Owingsville Senior Apartments. In accordance with FASB No. 66, although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated gain on the sale of this investment of \$45,850 is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed in the amount of \$6.63 per beneficial assignee certificate to the Series 4 Assignees during the first quarter of fiscal year 2008.

In January 2007, Gateway sold its Project Partnership investment in Alsace Village Apartments. Gateway received \$23,370 in net proceeds (\$3.38 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 4 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Greenbriar Apartments. Gateway received \$39,370 in net proceeds (\$5.69 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 4 Assignees.



Fiscal Year 2006 Disposition Activity:

Series 6

In August 2005, Gateway sold its Project Partnership investment in Mountain Crest Apartments. Gateway received \$224,074 in net proceeds (\$22.17 per beneficial assignee certificate) for the sale of this Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 6 Assignees in November 2005.

Fiscal Year 2005 Disposition Activity:

Series 5

In December 2004, Gateway sold its Project Partnership investment in Highland View Apartments. Gateway received \$157,126 in net proceeds (\$18.24 per beneficial assignee certificate) for the sale of this Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 5 Assignees in July 2005.

Project Partnership sold subsequent to March 31, 2007:

Series 2

Rolling Oaks II Apartments

Subsequent to the March 31, 2007 year-end, Gateway sold its Project Partnership investment in Rolling Oaks II Apartments. Gateway realized approximately \$55,000 in net proceeds or approximately \$8.96 per beneficial assignee certificate from this sale transaction which will be distributed to the Series 2 Assignees in the 2<sup>nd</sup> quarter of fiscal year 2008.

Gateway has approved the sale to the general partner of the Project Partnership or a third party:

Series 2

Inverness Club

Heritage Village Apartments

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be \$360,000, or \$58.67 per beneficial assignee certificate which would be available for distribution to the Series 2 Assignees subsequent to the closing of these sales transactions which would most likely occur within the next 24-month period.

Series 4

Chestnut Apartments

Ashland Estates

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be \$22,000, or \$3.18 per beneficial assignee certificate which would be available for distribution to the Series 4 Assignees subsequent to the closing of these sales transactions which would most likely occur within the next 24-month period.

Series 5

Country Place Apartments II  
(Georgetown LP)

Country Place Apartments II  
(Portland II Ltd.)

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be \$90,000, or \$10.45 per beneficial assignee certificate which would be available for distribution to the Series 5 Assignees subsequent to the closing of these sales transactions which would most likely occur within the next 24-month period.

#### Series 6

Autumn Place Apts.

Spring Wood Apartments

These approvals are subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amounts as approved by Gateway, should all the transactions close without modification, the estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be \$102,000, or \$10.09 per beneficial assignee certificate which would be available for distribution to the Series 6 Assignees subsequent to the closing of these sales transactions which would most likely occur within the next 24-month period.

Gateway has consented to the general partner granting an option for either the general partner or a third-party to purchase the Project Partnership interest:

#### Series 2

Brookhaven Apartments  
Lewiston Country Estates  
Hidden Creek Apartments

Lakeshore Apartments  
Woodland Terrace Apartments

Should all of these options be exercised, the estimated net sales proceeds to Gateway from the sales transactions are estimated to be \$715,000, or \$116.53 per beneficial assignee certificate potentially available for distribution to the Series 2 Assignees over the next 24 months. These options to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnerships, the results of which are undeterminable.

#### Series 3

Countrywood Apartments

Should this option be exercised, the estimated net sales proceeds to Gateway from the sales transaction are estimated to be \$85,000, or \$15.58 per beneficial assignee certificate potentially available for distribution to the Series 3 Assignees over the next 24 months. This option to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnership, the results of which are undeterminable.

#### Series 4

River Bend Apartments

Norton Green Apartments

Should all of these options be exercised, the estimated net sales proceeds to Gateway from the sales transactions are estimated to be \$180,000, or \$26.03 per beneficial assignee certificate potentially available for distribution to the Series 4 Assignees over the next 24 months. These options to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnerships, the results of which are undeterminable.

#### Series 5

Villa Del Rio  
Woodvale Apartments II

Willow Apartments

Should all of these options be exercised, the estimated net sales proceeds to Gateway from the sales transactions are estimated to be \$275,000, or \$31.92 per beneficial assignee certificate potentially available for distribution to the Series 5 Assignees over the next 24 months. These options to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnerships, the results of which are undeterminable.

#### Series 6

Country Place Apartments

Should this option be exercised, the estimated net sales proceeds to Gateway from the sales transaction are estimated to be \$90,000, or \$8.91 per beneficial assignee certificate potentially available for distribution to the Series 6 Assignees over the next 24 months. This option to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnership, the results of which are undeterminable.

Project Partnerships currently listed for sale on a commercial real estate for sale website or listed for sale by the general partner of the Project Partnership:

#### Series 3

Logansport Seniors Apartments  
Mill Run Apartments

Sunchase II Apartments

Series 4

Oaks Apartments  
 Sonora Seniors Apartments  
 Ozona Seniors Apartments  
 Timpson Seniors Apartments

Tarpon Heights Apartments  
 Fredericksburg Seniors Apartments  
 Brackettville Seniors Apartments  
 Village Apartments of St. Joseph II

Series 5

Fox Ridge Apartments      Redmont II Apartments  
 Village Apartments of Effingham Village Apartments of Seymour II

|  
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 Liabilities Reflected on the Registrant's Balance Sheet under GAAP	\$3,800,683 (1)	317,633	3,483,050	0	0

(1) The Other Liabilities represent the asset management fees and other general and administrative expense reimbursements owed to the General Partners as of March 31, 2007. This payable 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 later 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 sheets of Gateway Tax Credit Fund II, Ltd. (a Florida Limited Partnership) as of March 31, 2007 and 2006 and the related statements of operations, partners' equity (deficit), and cash flows for each of the years in the two year period ended March 31, 2007. These financial statements are the responsibility of Gateway's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Gateway Tax Credit Fund II, Ltd. for 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 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. Gateway is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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 Gateway'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 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 auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Gateway Tax Credit Fund II, Ltd. at March 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed under Item 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, based on our audits and the reports of other auditors, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Reznick Group, P.C.  
REZNICK GROUP, P.C.

Atlanta, Georgia  
July 16, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of Gateway Tax Credit Fund II Ltd

We have audited the accompanying statements of operations, partners' equity (deficit), and cash flows of each of the five Series (Series 2 through 6) constituting Gateway Tax Credit Fund II Ltd. (a Florida Limited Partnership) for the year ended March 31, 2005. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain Project Partnerships in Series 6 for which net losses of \$5,938 are included in the accompanying financial statements for the year ended March 31, 2005. 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 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 statements of operations, partners' equity (deficit), and cash flows 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 statements of operations, partners' equity (deficit), and cash flows, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statements of operations, partners' equity (deficit), and cash flows. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the statements of operations, partners' equity (deficit), and cash flows present fairly, in all material respects, the results of operations and cash flows of each of the five Series (Series 2 through 6) constituting Gateway Tax Credit Fund II Ltd. for the year ended March 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

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, 2007 AND 2006

SERIES 2	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 129,724	\$ 250,529
Investments in Securities	127,640	66,276
	-----	-----
Total Assets	\$ 257,364	\$ 316,805
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 48,705	\$ 48,304
Other Payable	0	8,030
	-----	-----
Total Current Liabilities	48,705	56,334
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	666,568	599,253
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and		
outstanding	(399,531)	(281,595)
General Partners	(58,378)	(57,187)
	-----	-----
Total Partners' Equity (Deficit)	(457,909)	(338,782)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 257,364	\$ 316,805
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

SERIES 3	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 426,791	\$ 236,035
Investments in Securities	127,640	58,952
Receivable - Other	44,000	0
	-----	-----
Total Assets	\$ 598,431	\$ 294,987
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 55,354	\$ 52,905
Distribution Payable	313,273	0
Deferred Gain on Sale of Project Partnerships	43,850	
Other Payable	0	7,300
	-----	-----
Total Current Liabilities	412,477	60,205
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	551,211	493,156
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and outstanding	(365,257)	(207,975)
General Partners	(0)	(50,399)
	-----	-----
Total Partners' Equity (Deficit)	(365,257)	(258,374)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 598,431	\$ 294,987
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

SERIES 4	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 206,516	\$ 322,204
Investments in Securities	178,897	74,685
Receivable - Other	84,500	0
	-----	-----
Total Assets	\$ 469,913	\$ 396,889
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 60,680	\$ 59,221
Distribution Payable	62,744	0
Deferred Gain on Sale of Project Partnerships	84,200	0
Other Payable	0	8,030
	-----	-----
Total Current Liabilities	207,624	67,251
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	722,109	647,438
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and outstanding	(459,820)	(253,967)
General Partners	0	(63,833)
	-----	-----
Total Partners' Equity (Deficit)	(459,820)	(317,800)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 469,913	\$ 396,889
	=====	=====

See accompanying notes to financial statements.



GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

SERIES 5	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 175,920	\$ 262,439
Investments in Securities	101,509	93,086
Receivable - Other	0	912
	-----	-----
Total Current Assets	277,429	356,437
Investments in Project Partnerships, Net	125,403	151,630
	-----	-----
Total Assets	\$ 402,832	\$ 508,067
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 78,583	\$ 77,770
Other Payable	0	3,650
	-----	-----
Total Current Liabilities	78,583	81,420
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	603,864	511,577
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and		
outstanding	(275,580)	(82,842)
General Partners	(4,035)	(2,088)
	-----	-----
Total Partners' Equity (Deficit)	(279,615)	(84,930)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 402,832	\$ 508,067
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

SERIES 6	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 193,964	\$ 463,580
Investments in Securities	280,406	78,370
	-----	-----
Total Current Assets	474,370	541,950
Investments in Project Partnerships, Net	208,779	372,285
	-----	-----
Total Assets	\$ 683,149	\$ 914,235
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 74,311	\$ 73,971
Distribution Payable	46	46
	-----	-----
Total Current Liabilities	74,357	74,017
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	939,298	838,056
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and outstanding	(327,179)	2,162
General Partners	(3,327)	0
	-----	-----
Total Partners' Equity (Deficit)	(330,506)	2,162
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$ 683,149	\$ 914,235
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.  
(A Florida Limited Partnership)  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

TOTAL SERIES 2 - 6	2007	2006
	----	----
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$1,132,915	\$1,534,787
Investments in Securities	816,092	371,369
Receivable - Other	128,500	912
	-----	-----
Total Current Assets	2,077,507	1,907,068
Investments in Project Partnerships, Net	334,182	523,915
	-----	-----
Total Assets	\$2,411,689	\$2,430,983
	=====	=====
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	\$ 317,633	\$ 312,171
Distribution Payable	376,063	46
Deferred Gain on Sale of Project Partnerships	128,050	0
Other Payable	0	27,010
	-----	-----
Total Current Liabilities	821,746	339,227
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	3,483,050	3,089,480
	-----	-----
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, 2007 and 2006 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, 2007 and 2006, issued and outstanding	(1,827,367)	(824,217)
General Partners	(65,740)	(173,507)
	-----	-----
Total Partners' Equity (Deficit)	(1,893,107)	(997,724)
	-----	-----
Total Liabilities and Partners' Equity (Deficit)	\$2,411,689	\$2,430,983
	=====	=====

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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 15,209	\$ 7,263	\$ 13,938
	-----	-----	-----
Total Revenues	15,209	7,263	13,938
	-----	-----	-----
Expenses:			
Asset Management Fee-General Partner	67,315	67,609	67,609
General and Administrative:			
General Partner	61,537	47,681	32,074
Other	19,652	28,551	11,930
Amortization	0	699	697
	-----	-----	-----
Total Expenses	148,504	144,540	112,310
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(133,295)	(137,277)	(98,372)
Equity in Losses of Project Partnerships	0	(32,092)	(10,911)
Interest Income	14,168	12,970	11,763
	-----	-----	-----
Net Loss	\$ (119,127)	\$ (156,399)	\$ (97,520)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$ (117,936)	\$ (154,835)	\$ (96,545)
General Partners	(1,191)	(1,564)	(975)
	-----	-----	-----
	\$ (119,127)	\$ (156,399)	\$ (97,520)
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (19.22)	\$ (25.23)	\$ (15.73)
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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 20,439	\$ 22,861	\$ 18,781
	-----	-----	-----
Total Revenues	20,439	22,861	18,781
	-----	-----	-----
Expenses:			
Asset Management Fee-General Partner	58,055	62,716	62,717
General and Administrative:			
General Partner	63,702	49,848	33,531
Other	21,099	30,605	10,716
	-----	-----	-----
Total Expenses	142,856	143,169	106,964
	-----	-----	-----
Loss Before Equity in Income of Project Partnerships and Other Income	(122,417)	(120,308)	(88,183)
Equity in Income of Project Partnerships	490	0	0
Gain on Sale of Project Partnerships	412,624	0	0
Interest Income	15,265	12,030	10,536
	-----	-----	-----
Net Income (Loss)	\$ 305,962	\$ (108,278)	\$ (77,647)
	=====	=====	=====
Allocation of Net Income (Loss):			
Assignees	\$ 255,563	\$ (107,195)	\$ (76,871)
General Partners	50,399	(1,083)	(776)
	-----	-----	-----
	\$ 305,962	\$ (108,278)	\$ (77,647)
	=====	=====	=====
Net Income (Loss) Per Beneficial Assignee Certificate	\$ 46.84	\$ (19.65)	\$ (14.09)
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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 20,091	\$ 18,473	\$ 16,181
	-----	-----	-----
Total Revenues	20,091	18,473	16,181
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	74,671	77,205	77,205
General and Administrative:			
General Partner	81,118	62,853	42,279
Other	23,570	33,151	13,260
	-----	-----	-----
Total Expenses	179,359	173,209	132,744
	-----	-----	-----
Loss Before Equity in Income of Project Partnerships and Other Income	(159,268)	(154,736)	(116,563)
Equity in Income of Project Partnerships	0	0	0
Gain on Sale of Project Partnerships	62,740	0	0
Interest Income	17,252	16,432	13,596
	-----	-----	-----
Net Income (Loss)	\$ (79,276)	\$ (138,304)	\$ (102,967)
	=====	=====	=====
Allocation of Net Income (Loss):			
Assignees	\$ (143,109)	\$ (136,921)	\$ (101,937)
General Partners	63,833	(1,383)	(1,030)
	-----	-----	-----
	\$ (79,276)	\$ (138,304)	\$ (102,967)
	=====	=====	=====
Net Income (Loss) Per Beneficial Assignee Certificate	\$ (20.70)	\$ (19.80)	\$ (14.74)
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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 26,812	\$ 22,819	\$ 27,663
	-----	-----	-----
Total Revenues	26,812	22,819	27,663
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	92,287	92,722	92,722
General and Administrative:			
General Partner	97,901	77,443	52,484
Other	24,984	30,180	17,788
Amortization	15,436	25,784	2,005
	-----	-----	-----
Total Expenses	230,608	226,129	164,999
	-----	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(203,796)	(203,310)	(137,336)
Equity in Income (Losses) of Project Partnerships	(5,528)	(22,512)	(21,348)
Gain on Sale of Project Partnerships	0	0	157,126
Interest Income	14,639	17,032	16,711
	-----	-----	-----
Net Income (Loss)	\$(194,685)	\$(208,790)	\$ 15,153
	=====	=====	=====
Allocation of Net Income (Loss):			
Assignees	(192,738)	(206,702)	(57,812)
General Partners	(1,947)	(2,088)	72,965
	-----	-----	-----
	\$(194,685)	\$(208,790)	\$ 15,153
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (22.37)	\$ (23.99)	\$ (6.71)
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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 29,678	\$ 26,354	\$ 32,039
	-----	-----	-----
Total Revenues	29,678	26,354	32,039
	-----	-----	-----
Expenses:			
Asset Management Fee - General Partner	101,242	101,592	104,509
General and Administrative:			
General Partner	103,495	81,777	55,400
Other	28,470	26,202	17,799
Amortization	44,929	39,001	6,106
Impairment of Investment in Project Partnerships	103,003	343,241	0
	-----	-----	-----
Total Expenses	381,139	591,813	183,814
	-----	-----	-----
Loss Before Equity in Income (Losses) of Project Partnerships and Other Income	(351,461)	(565,459)	(151,775)
Equity in Income (Losses) of Project Partnerships	(7,156)	(25,699)	(65,236)
Gain on Sale of Project Partnerships	0	224,074	0
Interest Income	25,949	24,826	18,302
	-----	-----	-----
Net Loss	\$(332,668)	\$(342,258)	\$(198,709)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$(329,341)	\$(425,299)	\$(196,722)
General Partners	(3,327)	83,041	(1,987)
	-----	-----	-----
	\$(332,668)	\$(342,258)	\$(198,709)
	=====	=====	=====
Net Loss Per Beneficial Assignee Certificate	\$ (32.59)	\$ (42.09)	\$ (19.47)
	=====	=====	=====
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	2007	2006	2005
	----	----	----
Revenues:			
Distribution Income	\$ 112,229	\$ 97,770	\$ 108,602
	-----	-----	-----
Total Revenues	112,229	97,770	108,602
	-----	-----	-----
Expenses:			
Asset Management Fee-General Partner	393,570	401,844	404,762
General and Administrative:			
General Partner	407,753	319,602	215,768
Other	117,775	148,689	71,493
Amortization	60,365	65,484	8,808
Impairment of Investment in Project Partnerships	103,003	343,241	0
	-----	-----	-----
Total Expenses	1,082,466	1,278,860	700,831
	-----	-----	-----
Loss Before Equity in Income (Losses) of Project Partnerships and Other Income	(970,237)	(1,181,090)	(592,229)
Equity in Income (Losses) of Project Partnerships	(12,194)	(80,303)	(97,495)
Gain on Sale of Project Partnerships	475,364	224,074	157,126
Interest Income	87,273	83,290	70,908
	-----	-----	-----
Net Loss	\$ (419,794)	\$ (954,029)	\$ (461,690)
	=====	=====	=====
Allocation of Net Loss:			
Assignees	\$ (527,561)	\$(1,030,952)	\$ (529,887)
General Partners	107,767	76,923	68,197
	-----	-----	-----
	\$ (419,794)	\$ (954,029)	\$ (461,690)
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 2	Assignees -----	General Partners -----	Total -----
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)
Net Loss	(117,936) -----	(1,191) -----	(119,127) -----
Balance at March 31, 2007	\$ (399,531) =====	\$ (58,378) =====	\$ (457,909) =====

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)  
FOR THE YEARS ENDED MARCH 31, 2007, 2006 AND 2005

SERIES 3	Assignees -----	General Partners -----	Total -----
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)
Net Income	255,563	50,399	305,962
Distributions	(412,845) -----	0 -----	(412,845) -----
Balance at March 31, 2007	\$ (365,257) =====	\$ 0 =====	\$ (365,257) =====

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, 2007, 2006 AND 2005

SERIES 4	Assignees -----	General Partners -----	Total -----
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)
Net Income (Loss)	(143,109)	63,833	(79,276)
Distributions	(62,744) -----	0 -----	(62,744) -----
Balance at March 31, 2007	\$ (459,820) =====	\$ 0 =====	\$ (459,820) =====

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)  
FOR THE YEARS ENDED MARCH 31, 2007, 2006 AND 2005

SERIES 5	Assignees -----	General Partners -----	Total -----
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)
Net Loss	(192,738) -----	(1,947) -----	(194,685) -----
Balance at March 31, 2007	\$ (275,580) =====	\$ (4,035) =====	\$ (279,615) =====

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, 2007, 2006 AND 2005

SERIES 6	Assignees -----	General Partners -----	Total -----
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
Net Loss	(329,341)	(3,327)	(332,668)
	-----	-----	-----
Balance at March 31, 2007	\$ (327,179)	\$ (3,327)	\$ (330,506)
	=====	=====	=====

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)  
FOR THE YEARS ENDED MARCH 31, 2007, 2006 AND 2005

TOTAL SERIES 2 - 6	Assignees -----	General Partners -----	Total -----
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)
Net Income (Loss)	(527,561)	107,767	(419,794)
Distributions	(475,589)	0	(475,589)
	-----	-----	-----
Balance at March 31, 2007	\$(1,827,367)	\$ (65,740)	\$(1,893,107)
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 2 -----	2007 ----	2006 ----	2005 ----
Cash Flows from Operating Activities:			
Net Loss	\$(119,127)	\$(156,399)	\$(97,520)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	0	699	697
Accreted Interest Income on Investments in Securities	0	(4,927)	(9,361)
Accreted Discount on Investments in Securities	(509)	0	0
Equity in Losses of Project Partnerships	0	32,092	10,911
Distributions Included in Other Income	(15,209)	(7,263)	(13,438)
Changes in Operating Assets and Liabilities:			
Increase in Interest Receivable	(2,120)	0	0
Increase in Payable to General Partners	67,716	70,868	46,294
(Decrease) Increase in Other Payable	(8,030)	8,030	0
	-----	-----	-----
Net Cash Used in Operating Activities	(77,279)	(56,900)	(62,417)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	15,209	8,863	15,038
Redemption of Investment in Securities	66,276	63,562	61,299
Investment in Securities	(125,011)	0	0
	-----	-----	-----
Net Cash (Used in) Provided by Investing Activities	(43,526)	72,425	76,337
	-----	-----	-----
(Decrease) Increase in Cash and Cash Equivalents	(120,805)	15,525	13,920
Cash and Cash Equivalents at Beginning of Year	250,529	235,004	221,084
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 129,724	\$ 250,529	\$ 235,004
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 3 -----	2007 ----	2006 ----	2005 ----
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ 305,962	\$(108,278)	\$ (77,647)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities:			
Accreted Interest Income on Investments in Securities	0	(4,382)	(8,327)
Accreted Discount on Investments in Securities	(509)	0	0
Equity in Income of Project Partnerships	(490)	0	0
Gain on Sale of Project Partnerships	(412,624)	0	0
Distributions Included In Other Income	(20,439)	(22,861)	(18,781)
Changes in Operating Assets and Liabilities:			
Increase in Interest Receivable	(2,120)	0	0
Increase in Payable to General Partners	60,504	66,312	62,576
(Decrease) Increase in Other Payable	(7,300)	7,300	0
	-----	-----	-----
Net Cash Used in Operating Activities	(77,016)	(61,909)	(42,179)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	20,439	22,861	18,781
Proceeds from Sale of Project Partnerships	415,512	0	0
Redemption of Investment in Securities	58,952	56,536	54,526
Investment in Securities	(125,011)	0	0
	-----	-----	-----
Net Cash Provided by Investing Activities	369,892	79,397	73,307
	-----	-----	-----
Cash Flows from Financing Activities:			
Distributions Paid to Limited Partners	(99,572)	0	0
Expenses Related to Sale of Project Partnerships	(2,548)	0	0
	-----	-----	-----
Net Cash Used in Financing Activities	(102,120)	0	0
	-----	-----	-----
Increase in Cash and Cash Equivalents	190,756	17,488	31,128
Cash and Cash Equivalents at Beginning of Year	236,035	218,547	187,419
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 426,791	\$ 236,035	\$ 218,547
	=====	=====	=====
Supplemental non-cash activities:			
Increase in Distribution Payable	\$ 313,273	\$ 0	\$ 0
Distribution to Limited Partners	(313,273)	0	0
Increase in Receivable - Other	(44,000)	0	0
Proceeds from Sale of Project Partnership	44,000	0	0
	-----	-----	-----
	\$ 0	\$ 0	\$ 0
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 4 -----	2007 ----	2006 ----	2005 ----
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ (79,276)	\$(138,304)	\$(102,967)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities:			
Accreted Interest Income on Investments in Securities	0	(5,552)	(10,549)
Accreted Discount on Investments in Securities	(713)	0	0
Equity in Income of Project Partnerships	0	0	0
Gain on Sale of Project Partnerships	(62,740)	0	0
Distributions Included In Other Income	(20,091)	(18,473)	(16,173)
Changes in Operating Assets and Liabilities:			
Increase in Interest Receivable	(2,972)	0	0
Increase in Payable to General Partners	76,130	81,955	75,400
(Decrease) Increase in Other Payable	(8,030)	8,030	0
	-----	-----	-----
Net Cash Used in Operating Activities	(97,692)	(72,344)	(54,289)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	20,091	18,473	16,173
Proceeds from Sale of Project Partnerships	64,000	0	0
Redemption of Investment in Securities	74,685	71,628	69,078
Investment in Securities	(175,212)	0	0
	-----	-----	-----
Net Cash (Used in) Provided by Investing Activities	(16,436)	90,101	85,251
	-----	-----	-----
Cash Flows from Financing Activities:			
Expenses Related to Sale of Project Partnerships	(1,560)	0	0
	-----	-----	-----
Net Cash Used in Financing Activities	(1,560)	0	0
	-----	-----	-----
(Decrease) Increase in Cash and Cash Equivalents	(115,688)	17,757	30,962
Cash and Cash Equivalents at Beginning of Year	322,204	304,447	273,485
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 206,516	\$ 322,204	\$ 304,447
	=====	=====	=====
Supplemental non-cash activities:			
Increase in Distribution Payable	\$ 62,744	\$ 0	\$ 0
Distribution to Limited Partners	(62,744)	0	0
Increase in Receivable - Other	(84,500)	0	0
Proceeds from Sale of Project Partnership	84,500	0	0
	-----	-----	-----
	\$ 0	\$ 0	\$ 0
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 5 -----	2007 ----	2006 ----	2005 ----
Cash Flows from Operating Activities:			
Net Loss	\$(194,685)	\$(208,790)	\$ 15,153
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	15,436	25,784	2,005
Accreted Interest Income on Investments in Securities	0	(6,919)	(13,147)
Accreted Discount on Investments in Securities	(405)	0	0
Equity in Losses of Project Partnerships	5,528	22,512	21,348
Gain on Sale of Project Partnerships	0	0	(157,126)
Distributions Included in Other Income	(26,812)	(22,819)	(27,063)
Changes in Operating Assets and Liabilities:			
Increase in Interest Receivable	(1,686)	0	0
Decrease (Increase) in Receivable - Other	912	(912)	0
Increase in Payable to General Partners	93,100	97,702	(69,716)
(Decrease) Increase in Other Payable	(3,650)	2,950	700
	-----	-----	-----
Net Cash Used in Operating Activities	(112,262)	(90,492)	(227,846)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	32,075	25,298	30,934
Proceeds from Sale of Project Partnerships	0	0	0
Redemption of Investment in Securities	93,086	89,273	86,098
Investment in Securities	(99,418)	0	0
	-----	-----	-----
Net Cash Provided by Investing Activities	25,743	114,571	117,032
	-----	-----	-----
(Decrease) Increase in Cash and Cash Equivalents	(86,519)	24,079	(110,814)
Cash and Cash Equivalents at Beginning of Year	262,439	238,360	349,174
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 175,920	\$ 262,439	\$ 238,360
	=====	=====	=====

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, 2007, 2006 AND 2005

SERIES 6 -----	2007 ----	2006 ----	2005 ----
Cash Flows from Operating Activities:			
Net Loss	\$(332,668)	\$(342,258)	\$(198,709)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:			
Amortization	44,929	39,001	6,106
Impairment of Investment in Project Partnerships	103,003	343,241	0
Accreted Interest Income on Investments in Securities	(4,630)	(9,931)	(14,483)
Accreted Discount on Investments in Securities	(1,117)	0	0
Equity in Losses of Project Partnerships	7,156	25,699	65,236
Gain on Sale of Project Partnerships	0	(224,074)	0
Distributions Included in Other Income	(29,678)	(26,354)	(32,039)
Changes in Operating Assets and Liabilities:			
Increase in Interest Receivable	(4,659)	0	0
Decrease (Increase) in Receivable - Other	0	700	(700)
Increase in Payable to General Partners	101,582	106,984	104,268
(Decrease) Increase in Other Payable	0	(500)	500
	-----	-----	-----
Net Cash Used in Operating Activities	(116,082)	(87,492)	(69,821)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project Partnerships	38,096	27,275	38,038
Proceeds from Sale of Project Partnerships	0	225,574	0
Redemption of Investment in Securities	83,000	79,000	74,999
Investment in Securities	(274,630)	0	0
	-----	-----	-----
Net Cash (Used in) Provided by Investing Activities	(153,534)	331,849	113,037
	-----	-----	-----
Cash Flows from Financing Activities:			
Distributions Paid to Limited Partners	0	(224,028)	0
Expenses Related to Sale of Project Partnerships	0	(1,500)	0
	-----	-----	-----
Net Cash Used in Financing Activities	0	(225,528)	0
	-----	-----	-----
(Decrease) Increase in Cash and Cash Equivalents	(269,616)	18,829	43,216
Cash and Cash Equivalents at Beginning of Year	463,580	444,751	401,535
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$ 193,964	\$ 463,580	\$ 444,751
	=====	=====	=====

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, 2007, 2006 AND 2005

TOTAL SERIES 2 - 6	2007	2006	2005
-----	----	----	----
Cash Flows from Operating Activities:			
Net Loss	\$(419,794)	\$(954,029)	\$(461,690)
Adjustments to Reconcile Net Loss to			
Net Cash Used in Operating Activities:			
Amortization	60,365	65,484	8,808
Impairment of Investment in Project			
Partnerships	103,003	343,241	0
Accreted Interest Income on			
Investments in Securities	(4,630)	(31,711)	(55,867)
Accreted Discount on Investments in			
Securities	(3,253)	0	0
Equity in Losses of Project			
Partnerships	12,194	80,303	97,495
Gain on Sale of Project Partnerships	(475,364)	(224,074)	(157,126)
Distributions Included in Other Income	(112,229)	(97,770)	(107,494)
Changes in Operating Assets and			
Liabilities:			
Increase in Interest Receivable	(13,557)	0	0
Increase in Receivable - Other	(127,588)	(212)	(700)
Increase in Payable to General			
Partners	399,032	423,821	218,822
(Decrease) Increase in Other Payable	(27,010)	25,810	1,200
	-----	-----	-----
Net Cash Used in Operating			
Activities	(608,831)	(369,137)	(456,552)
	-----	-----	-----
Cash Flows from Investing Activities:			
Distributions Received from Project			
Partnerships	125,910	102,770	118,964
Proceeds from Sale of Project			
Partnerships	608,012	225,574	0
Redemption of Investment in Securities	375,999	359,999	346,000
Investment in Securities	(799,282)	0	0
	-----	-----	-----
Net Cash Provided by Investing			
Activities	310,639	688,343	464,964
	-----	-----	-----
Cash Flows from Financing Activities:			
Distributions Paid to Limited Partners	(99,572)	(224,028)	0
Expenses Related to Sale of Project			
Partnerships	(4,108)	(1,500)	0
	-----	-----	-----
Net Cash Used in Financing			
Activities	(103,680)	(225,528)	0
	-----	-----	-----
(Decrease) Increase in Cash and Cash			
Equivalents	(401,872)	93,678	8,412
Cash and Cash Equivalents at Beginning			
of Year	1,534,787	1,441,109	1,432,697
	-----	-----	-----
Cash and Cash Equivalents at End of Year	\$1,132,915	\$1,534,787	\$ 1,441,109
	=====	=====	=====
Supplemental non-cash activities:			
Increase in Distribution Payable	\$ 376,017	\$ 0	\$ 0
Distribution to Limited Partners	(376,017)	0	0
	-----	-----	-----
	\$ 0	\$ 0	\$ 0
	=====	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007, 2006 AND 2005

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. Each Series has invested, as a limited partner, in other limited partnerships ("Project Partnerships") each of which owns and operates one or more apartment complexes eligible for Low-Income Housing Tax Credits ("Tax Credits"), provided for in Section 42 of the Internal Revenue Code of 1986. Gateway will terminate on December 31, 2040, or sooner, in accordance with the terms of the limited partnership agreement (the "Agreement"). As of March 31, 2007, 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, 2007. 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 are allocated as formulated in the Agreement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

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

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

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

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

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 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

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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 years ended March 31, 2007 and 2006, impairment expense was recognized in the Statement of Operations in Series 6 in the total amount of \$103,003 and \$343,241, respectively. There was no impairment expense in fiscal year 2005. 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 of tax credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment. However, Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships. No such funding to Project Partnership's occurred during fiscal year 2007, 2006 or 2005.

### 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 (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 134 VIEs, which consist of Project Partnerships, of which Gateway is not the primary beneficiary. Two 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 \$334,182 at March 31, 2007. 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

Gateway's policy is 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 whose investment advisor is a wholly-owned subsidiary of Raymond James Financial, Inc.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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 and U.S. Treasury Notes) until maturity and to use these assets to fund Gateway's ongoing operations. The U.S. Treasury Notes are carried at amortized cost, which approximates market value, and are adjusted for amortization of premiums and accretion of discounts to maturity. Such adjustments are included in Interest Income. Interest income is recognized ratably on the U.S. Government Strips using the effective yield to maturity. As of March 31, 2007, Investment in Securities on the Balance Sheet consisted entirely of U.S. Treasury Notes.

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 prior year amounts have been reclassified, where appropriate, to conform with the financial statement presentation used in 2007.

NOTE 3 - INVESTMENT IN SECURITIES:

The March 31, 2007 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Notes which represents their cost, plus accreted interest income and discounts of \$2,969 for Series 2, \$2,969 for Series 3, \$3,685 for Series 4, \$2,091 for Series 5 and \$5,776 for Series 6. The Investment in Securities are commonly held in a brokerage account maintained at Raymond James and Associates, Inc., an affiliate of the General Partners. A separate accounting is maintained for each series' share of the investments.

	Estimated Market Value	Cost Plus Accreted Interest and Discounts	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 2	\$ 126,549	\$ 127,640	\$ (1,091)
Series 3	126,549	127,640	(1,091)
Series 4	177,368	178,897	(1,529)
Series 5	100,641	101,509	(868)
Series 6	278,010	280,406	(2,396)

As of March 31, 2007, the cost plus accreted interest and discounts of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
	-----	-----	-----
Due within 1 year	\$ 127,640	\$ 127,640	\$ 178,897
After 1 year through 5 years	0	0	0
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 127,640	\$ 127,640	\$ 178,897
	=====	=====	=====
	Series 5	Series 6	Total
	-----	-----	-----
Due within 1 year	\$ 101,509	\$ 280,406	\$ 816,092
After 1 year through 5 years	0	0	0
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 101,509	\$ 280,406	\$ 816,092
	=====	=====	=====

NOTE 4 - RELATED PARTY TRANSACTIONS:

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

For the years ended March 31, 2007, 2006 and 2005 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.

	2007	2006	2005
	----	----	----
Series 2	\$ 67,315	\$ 67,609	\$ 67,609
Series 3	58,055	62,716	62,717
Series 4	74,671	77,205	77,205
Series 5	92,287	92,722	92,722
Series 6	101,242	101,592	104,509
	-----	-----	-----
Total	\$ 393,570	\$ 401,844	\$ 404,762
	=====	=====	=====

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.

	2007	2006	2005
	----	----	----
Series 2	\$ 61,537	\$ 47,681	\$ 32,074
Series 3	63,702	49,848	33,531
Series 4	81,118	62,853	42,279
Series 5	97,901	77,443	52,484
Series 6	103,495	81,777	55,400
	-----	-----	-----
Total	\$407,753	\$319,602	\$215,768
	=====	=====	=====

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2007 and 2006 are as follows.

	March 31, 2007	March 31, 2006
	-----	-----
Series 2	\$ 715,273	\$ 647,557
Series 3	606,565	546,061
Series 4	782,789	706,659
Series 5	682,447	589,347
Series 6	1,013,609	912,027
	-----	-----
Total	\$3,800,683	\$3,401,651
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 2

As of March 31, 2007, 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, 2007	MARCH 31, 2006
	-----	-----
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)	(4,742,761)
Cumulative distributions received from Project Partnerships	(87,605)	(87,605)
	-----	-----
Investment in Project Partnerships before Adjustment	(305,688)	(305,688)
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)	(85,150)
	-----	-----
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 \$6,160,318 for the year ended March 31, 2007 and cumulative suspended losses of \$5,632,737 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 3

As of March 31, 2007, the Partnership had acquired a 99% interest in the profits, losses and Tax Credits as a limited partner in 17 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, 2007	MARCH 31, 2006
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 2,866,874	\$ 3,888,713
Cumulative equity in losses of Project Partnerships (1)	(3,060,820)	(4,133,478)
Cumulative distributions received from Project Partnerships	(116,035)	(164,417)
	-----	-----
Investment in Project Partnerships before Adjustment	(309,981)	(409,182)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	365,375	491,746
Accumulated amortization of acquisition fees and expenses	(55,394)	(82,564)
	-----	-----
Investments in Project Partnerships	\$ 0	\$ 0
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$5,412,602 for the year ended March 31, 2007 and cumulative suspended losses of \$6,446,347 for the year ended March 31, 2006 are not included.



NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 4

As of March 31, 2007, the Partnership had acquired a 99% interest in the profits, losses and Tax Credits as a limited partner in 25 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, 2007	MARCH 31, 2006
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 4,273,215	\$ 4,952,519
Cumulative equity in losses of Project Partnerships (1)	(4,545,684)	(5,268,905)
Cumulative distributions received from Project Partnerships	(96,180)	(124,819)
	-----	-----
Investment in Project Partnerships before Adjustment	(368,649)	(441,205)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	466,220	562,967
Accumulated amortization of acquisition fees and expenses	(97,571)	(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 \$5,924,461 for the year ended March 31, 2007 and cumulative suspended losses of \$5,604,678 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 5

As of March 31, 2007, 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, 2007	MARCH 31, 2006
	-----	-----
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)	(6,132,734)	(6,127,206)
Cumulative distributions received from Project Partnerships	(204,351)	(199,089)
	-----	-----
Investment in Project Partnerships before Adjustment	(326,812)	(316,022)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	632,419	632,419
Accumulated amortization of acquisition fees and expenses	(180,204)	(164,767)
	-----	-----
Investments in Project Partnerships	\$ 125,403	\$ 151,630
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$7,065,462 for the year ended March 31, 2007 and cumulative suspended losses of \$6,332,840 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 6

As of March 31, 2007, 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, 2007	MARCH 31, 2006
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 7,250,034	\$ 7,250,034
Cumulative equity in losses of Project Partnerships (1)	(6,853,010)	(6,845,853)
Cumulative distributions received from Project Partnerships	(226,728)	(218,311)
	-----	-----
Investment in Project Partnerships before Adjustment	170,296	185,870
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	768,912	768,912
Accumulated amortization of acquisition fees and expenses	(284,185)	(239,256)
Impairment of Investment in Project Partnerships	(446,244)	(343,241)
	-----	-----
Investments in Project Partnerships	\$ 208,779	\$ 372,285
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$4,856,648 for the year ended March 31, 2007 and cumulative suspended losses of \$4,294,234 for the year ended March 31, 2006 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, 2007	MARCH 31, 2006
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 24,925,074	\$ 26,626,217
Cumulative equity in losses of Project Partnerships	(25,335,009)	(27,118,203)
Cumulative distributions received from Project Partnerships	(730,899)	(794,241)
	-----	-----
Investment in Project Partnerships before Adjustment	(1,140,834)	(1,286,227)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,623,764	2,846,882
Accumulated amortization of acquisition fees and expenses	(702,504)	(693,499)
Impairment of Investment in Project Partnerships	(446,244)	(343,241)
	-----	-----
Investments in Project Partnerships	\$ 334,182	\$ 523,915
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 2,213,621	\$ 2,097,770	\$ 1,968,967
Investment properties, net	14,180,401	14,995,365	15,779,910
Other assets	1,676	770	770
	-----	-----	-----
Total assets	\$16,395,698	\$17,093,905	\$17,749,647
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 559,702	\$ 583,236	\$ 483,214
Long-term debt	22,550,086	22,653,237	22,746,522
	-----	-----	-----
Total liabilities	23,109,788	23,236,473	23,229,736
	-----	-----	-----
Partners' deficit			
Limited Partner	(6,543,604)	(5,999,431)	(5,354,226)
General Partners	(170,486)	(143,137)	(125,863)
	-----	-----	-----
Total Partners' deficit	(6,714,090)	(6,142,568)	(5,480,089)
	-----	-----	-----
Total liabilities and partners' deficit	\$16,395,698	\$17,093,905	\$17,749,647
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 4,556,821	\$ 4,432,488	\$ 4,270,346
Expenses:			
Operating expenses	2,202,862	2,194,634	2,079,978
Interest expense	2,000,437	2,006,234	2,007,179
Depreciation and amortization	886,432	875,459	869,716
	-----	-----	-----
Total expenses	5,089,731	5,076,327	4,956,873
	-----	-----	-----
Net loss	\$ (532,910)	\$ (643,839)	\$ (686,527)
	=====	=====	=====
Other partners' share of net loss	\$ (5,329)	\$ (6,439)	\$ (6,865)
	=====	=====	=====
Gateway's share of net loss	\$ (527,581)	\$ (637,400)	\$ (679,662)
	-----	-----	-----
Suspended losses	527,581	605,308	668,751
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ 0	\$ (32,092)	\$ (10,911)
	=====	=====	=====

As of December 31, 2006, the largest Project Partnership constituted 11.8% and 14.0%, and as of December 31, 2005 the largest Project Partnership constituted 12.2% and 14.0% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 1,904,835	\$ 2,653,096	\$ 2,560,603
Investment properties, net	7,844,423	12,036,053	12,872,999
Other assets	30,170	158,818	166,839
	-----	-----	-----
Total assets	\$ 9,779,428	\$14,847,967	\$15,600,441
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 296,133	\$ 498,630	\$ 508,518
Long-term debt	15,224,112	21,307,645	21,412,108
	-----	-----	-----
Total liabilities	15,520,245	21,806,275	21,920,626
	-----	-----	-----
Partners' equity (deficit)			
Limited Partner	(6,019,771)	(7,286,069)	(6,676,166)
General Partners	278,954	327,761	355,981
	-----	-----	-----
Total Partners' equity (deficit)	(5,740,817)	(6,958,308)	(6,320,185)
	-----	-----	-----
Total liabilities and partners' equity	\$ 9,779,428	\$14,847,967	\$15,600,441
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 3,345,693	\$ 4,412,036	\$ 4,301,073
Expenses:			
Operating expenses	1,609,096	2,094,632	2,100,539
Interest expense	1,342,779	1,957,438	1,967,487
Depreciation and amortization	731,144	965,926	973,367
	-----	-----	-----
Total expenses	3,683,019	5,017,996	5,041,393
	-----	-----	-----
Net loss	\$ (337,326)	\$ (605,960)	\$ (740,320)
	=====	=====	=====
Other partners' share of net loss	\$ (3,378)	\$ (10,373)	\$ (12,676)
	=====	=====	=====
Gateway's share of net loss	\$ (333,948)	\$ (595,587)	\$ (727,644)
	-----	-----	-----
Suspended losses	334,438	595,587	727,644
	-----	-----	-----
Equity in Income of Project Partnerships	\$ 490	\$ 0	\$ 0
	=====	=====	=====

As of December 31, 2006, the largest Project Partnership constituted 13.0% and 5.8%, and as of December 31, 2005 the largest Project Partnership constituted 8.7% and 6.7% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 2,090,839	\$ 2,373,954	\$ 2,310,917
Investment properties, net	15,571,596	19,168,917	20,049,998
Other assets	28,137	34,344	33,120
	-----	-----	-----
Total assets	\$17,690,572	\$21,577,215	\$22,394,035
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 965,479	\$ 970,492	\$ 910,446
Long-term debt	22,405,799	26,080,239	26,191,312
	-----	-----	-----
Total liabilities	23,371,278	27,050,731	27,101,758
	-----	-----	-----
Partners' equity (deficit)			
Limited Partner	(6,383,645)	(6,140,112)	(5,435,023)
General Partners	702,939	666,596	727,300
	-----	-----	-----
Total Partners' equity (deficit)	(5,680,706)	(5,473,516)	(4,707,723)
	-----	-----	-----
Total liabilities and partners' equity	\$17,690,572	\$21,577,215	\$22,394,035
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 4,469,730	\$ 5,161,594	\$ 4,938,004
Expenses:			
Operating expenses	2,430,631	2,637,778	2,576,638
Interest expense	1,738,893	2,189,427	2,138,281
Depreciation and amortization	921,420	1,044,298	1,045,249
	-----	-----	-----
Total expenses	5,090,944	5,871,503	5,760,168
	-----	-----	-----
Net loss	\$ (621,214)	\$ (709,909)	\$ (822,164)
	=====	=====	=====
Other partners' share of net loss	\$ (28,655)	\$ (25,473)	\$ (15,617)
	=====	=====	=====
Gateway's share of net loss	\$ (592,559)	\$ (684,436)	\$ (806,547)
	-----	-----	-----
Suspended losses	592,559	684,436	806,547
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ 0	\$ 0	\$ 0
	=====	=====	=====

As of December 31, 2006, the largest Project Partnership constituted 9.1% and 5.6%, and as of December 31, 2005 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 Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 3,526,899	\$ 3,285,139	\$ 3,075,902
Investment properties, net	20,498,625	21,704,303	22,749,373
Other assets	4,705	4,245	51,964
	-----	-----	-----
Total assets	\$24,030,229	\$24,993,687	\$25,877,239
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 757,056	\$ 779,213	\$ 736,200
Long-term debt	31,099,840	31,256,580	31,392,413
	-----	-----	-----
Total liabilities	31,856,896	32,035,793	32,128,613
	-----	-----	-----
Partners' deficit			
Limited Partner	(7,456,075)	(6,681,292)	(5,930,379)
General Partners	(370,592)	(360,814)	(320,995)
	-----	-----	-----
Total Partners' deficit	(7,826,667)	(7,042,106)	(6,251,374)
	-----	-----	-----
Total liabilities and partners' deficit	\$24,030,229	\$24,993,687	\$25,877,239
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 6,297,579	\$ 6,113,199	\$ 5,792,482
Expenses:			
Operating expenses	3,299,478	3,049,363	3,096,406
Interest expense	2,523,667	2,591,786	2,229,541
Depreciation and amortization	1,220,039	1,203,506	1,247,246
	-----	-----	-----
Total expenses	7,043,184	6,844,655	6,573,193
	-----	-----	-----
Net loss	\$ (745,605)	\$ (731,456)	\$ (780,711)
	=====	=====	=====
Other partners' share of net loss	\$ (7,456)	\$ (7,315)	\$ (7,807)
	=====	=====	=====
Gateway's share of net loss	\$ (738,149)	\$ (724,141)	\$ (772,904)
	-----	-----	-----
Suspended losses	732,621	701,629	746,794
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (5,528)	\$ (22,512)	\$ (26,110)
	=====	=====	=====

As of December 31, 2006, the largest Project Partnership constituted 8.7% and 6.4%, and as of December 31, 2005 the largest Project Partnership constituted 8.5% and 8.0% 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 Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 4,250,761	\$ 4,214,285	\$ 4,075,629
Investment properties, net	24,869,739	25,343,325	27,082,558
Other assets	116,772	5,642	3,934
	-----	-----	-----
Total assets	\$29,237,272	\$29,563,252	\$31,162,121
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 907,348	\$ 759,168	\$ 760,481
Long-term debt	33,717,352	33,537,501	34,688,448
	-----	-----	-----
Total liabilities	34,624,700	34,296,669	35,448,929
	-----	-----	-----
Partners' deficit			
Limited Partner	(4,829,486)	(4,222,518)	(3,799,474)
General Partners	(557,942)	(510,899)	(487,334)
	-----	-----	-----
Total Partners' deficit	(5,387,428)	(4,733,417)	(4,286,808)
	-----	-----	-----
Total liabilities and partners' deficit	\$29,237,272	\$29,563,252	\$31,162,121
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 6,690,179	\$ 6,612,944	\$ 6,536,265
Expenses:			
Operating expenses	3,337,342	3,195,528	3,184,179
Interest expense	2,625,897	2,722,033	2,666,928
Depreciation and amortization	1,303,827	1,293,203	1,367,028
	-----	-----	-----
Total expenses	7,267,066	7,210,764	7,218,135
	-----	-----	-----
Net loss	\$ (576,887)	\$ (597,820)	\$ (681,870)
	=====	=====	=====
Other partners' share of net loss	\$ (7,317)	\$ (6,863)	\$ (8,157)
	=====	=====	=====
Gateway's share of net loss	\$ (569,570)	\$ (590,957)	\$ (673,713)
	-----	-----	-----
Suspended losses	562,414	565,258	608,477
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (7,156)	\$ (25,699)	\$ (65,236)
	=====	=====	=====

As of December 31, 2006, the largest Project Partnership constituted 6.5% and 6.8%, and as of December 31, 2005 the largest Project Partnership constituted 6.6% and 6.9% of the combined total assets by series and combined total revenues by series, respectively.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Gateway'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	2006	DECEMBER 31, 2005	2004
	----	----	----
SUMMARIZED BALANCE SHEETS			
Assets:			
Current assets	\$ 13,986,955	\$ 14,624,244	\$ 13,992,018
Investment properties, net	82,964,784	93,247,963	98,534,838
Other assets	181,460	203,819	256,627
	-----	-----	-----
Total assets	\$ 97,133,199	\$108,076,026	\$112,783,483
	=====	=====	=====
Liabilities and Partners' Equity:			
Current liabilities	\$ 3,485,718	\$ 3,590,739	\$ 3,398,859
Long-term debt	124,997,189	134,835,202	136,430,803
	-----	-----	-----
Total liabilities	128,482,907	138,425,941	139,829,662
	-----	-----	-----
Partners' equity (deficit)			
Limited Partner	(31,232,581)	(30,329,422)	(27,195,268)
General Partners	(117,127)	(20,493)	149,089
	-----	-----	-----
Total Partners' equity (deficit)	(31,349,708)	(30,349,915)	(27,046,179)
	-----	-----	-----
Total liabilities and partners' equity	\$ 97,133,199	\$108,076,026	\$112,783,483
	=====	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS			
Rental and other income	\$ 25,360,002	\$ 26,732,261	\$ 25,838,170
Expenses:			
Operating expenses	12,879,409	13,171,935	13,037,740
Interest expense	10,231,673	11,466,918	11,009,416
Depreciation and amortization	5,062,862	5,382,392	5,502,606
	-----	-----	-----
Total expenses	28,173,944	30,021,245	29,549,762
	-----	-----	-----
Net loss	\$ (2,813,942)	\$ (3,288,984)	\$ (3,711,592)
	=====	=====	=====
Other partners' share of net loss	\$ (52,135)	\$ (56,463)	\$ (51,122)
	=====	=====	=====
Gateway's share of net loss	\$ (2,761,807)	\$ (3,232,521)	\$ (3,660,470)
	-----	-----	-----
Suspended losses	2,749,613	3,152,218	3,558,213
	-----	-----	-----
Equity in Losses of Project Partnerships	\$ (12,194)	\$ (80,303)	\$ (102,257)
	=====	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS(continued):

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

By Series these differences are as follows:

	Equity Per Project Partnership	Equity Per Gateway
	-----	-----
Series 2	\$(6,543,604)	\$ (305,689)
Series 3	(6,019,771)	(309,983)
Series 4	(6,383,645)	(368,647)
Series 5	(7,456,075)	(326,813)
Series 6	(4,829,486)	170,297

Gateway at one time held investments in 148 Project Partnerships (22 in Series 2, 23 in Series 3, 29 in Series 4, 36 in Series 5, and 38 in Series 6). As of March 31, 2007, Gateway has sold its interest in 12 Project Partnerships (6 in Series 3, 4 in Series 4, 1 in Series 5 and 1 in Series 6). The transactions summaries for the Project Partnerships sold during the past three fiscal years are summarized below:

Fiscal Year 2007 Disposition Activity:

Series 3

In March 2007, Gateway sold its Project Partnership investment in Belmont Senior Apartments. In accordance with FASB No. 66 ("FASB No. 66") "Accounting for Sales of Real Estate," although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated net proceeds and gain on the sale of this investment is \$43,850 which is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed to the Series 3 Assignees in the amount of \$8.04 per beneficial assignee certificate during the first quarter of fiscal year 2008.

In January 2007, Gateway sold its Project Partnership investment in Southwood Apartments. Gateway received \$42,652 in net proceeds (\$7.82 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Plaza Senior Village Apartments. Gateway received \$82,145 in net proceeds (\$15.06 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Brubaker Square Apartments. Gateway received \$115,009 in net proceeds (\$21.08 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Villa Allegra Apartments. Gateway received \$73,408 in net proceeds (\$13.45 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 3 Assignees.

In November 2006, Gateway sold its Project Partnership investment in Birchwood Apartments. Gateway received \$99,410 in net proceeds (\$18.25 per beneficial assignee certificate) for the sale of the Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 3 Assignees in December 2006.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS(continued):

Series 4

In March 2007, Gateway sold its Project Partnership investment in Edmonton Senior Apartments. In accordance with FASB No. 66, although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated net proceeds and gain on the sale of this investment is \$38,350 which is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed in the amount of \$5.55 per beneficial assignee certificate to the Series 4 Assignees during the first quarter of fiscal year 2008.

In March 2007, Gateway sold its Project Partnership investment in Owingsville Senior Apartments. In accordance with FASB No. 66, although the sale of this Project Partnership was consummated on or prior to March 31, 2007, the estimated net proceeds and gain on the sale of this investment is \$45,850 which is being deferred on the Balance Sheet of Gateway as of March 31, 2007 and not recognized in the Statement of Operations until the period that the proceeds are received. The entire balance of the net proceeds due from this sale were subsequently received and distributed in the amount of \$6.63 per beneficial assignee certificate to the Series 4 Assignees during the first quarter of fiscal year 2008.

In January 2007, Gateway sold its Project Partnership investment in Alsace Village Apartments. Gateway received \$23,370 in net proceeds (\$3.38 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 4 Assignees.

In January 2007, Gateway sold its Project Partnership investment in Greenbriar Apartments. Gateway received \$39,370 in net proceeds (\$5.69 per beneficial assignee certificate) for the sale of this Project Partnership. The net proceeds are a component of the Distribution Payable on the Balance Sheet as of March 31, 2007 and Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. Subsequent to the March 31, 2007 year-end, the net proceeds from this sale transaction were distributed to the Series 4 Assignees.

Fiscal Year 2006 Disposition Activity:

Series 6

In August 2005, Gateway sold its Project Partnership investment in Mountain Crest Apartments. Gateway received \$224,074 in net proceeds (\$22.17 per beneficial assignee certificate) for the sale of this Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 6 Assignees in November 2005.

Fiscal Year 2005 Disposition Activity:

Series 5

In December 2004, Gateway sold its Project Partnership investment in Highland View Apartments. Gateway received \$157,126 in net proceeds (\$18.24 per beneficial assignee certificate) for the sale of this Project Partnership. Gateway recorded a gain in the amount of the net proceeds which is included as a component of the Gain on Sale of Project Partnerships on the Statement of Operations. The net proceeds from this sale transaction were distributed to the Series 5 Assignees in July 2005.

NOTE 6 - TAXABLE INCOME (LOSS):

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

SERIES 2	2007 ----	2006 ----	2005 ----
Net Loss per Financial Statements	\$ (119,127)	\$ (156,399)	\$ (97,520)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(662,986)	(693,743)	(797,850)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(14,677)	19,019	1,376
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	67,438	67,448	53,428
Amortization Expense	174	699	696
Other Adjustments	(7,948)	(10,999)	(14,217)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	\$ (737,126) =====	\$ (773,975) =====	\$ (854,087) =====
	December 31, 2006 -----	December 31, 2005 -----	December 31, 2004 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 139 =====	\$ 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, 2007 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	\$ 0	\$(7,958,671)	\$ 7,958,671
Other Assets	\$ 257,364	\$ 997,761	\$ (740,397)
Liabilities	\$ 715,273	\$ 6,718	\$ 708,555

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

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

SERIES 3	2007 ----	2006 ----	2005 ----
Net Income (Loss) per Financial Statements	\$ 305,962	\$ (108,278)	\$ (77,647)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(513,871)	(664,379)	(752,598)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(19,674)	16,892	2,140
Additional Loss on Sale of Project Partnerships for tax purposes	(32,068)	0	0
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	62,523	62,486	67,931
Amortization Expense	0	0	129
Other Adjustments	(14,245)	(24,829)	(20,866)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	\$ (211,373) =====	\$ (718,108) =====	\$ (780,911) =====
	December 31, 2006 -----	December 31, 2005 -----	December 31, 2004 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 0 =====	\$ 0 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2007 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	\$ 0	\$ (7,034,773)	\$7,034,773
Other Assets	\$ 598,431	\$ 897,499	\$ (299,068)
Liabilities	\$ 963,688	\$ 7,529	\$ 956,159

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

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

SERIES 4	2007 ----	2006 ----	2005 ----
Net Loss per Financial Statements	\$ (79,276)	\$ (138,304)	\$ (102,967)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(879,415)	(947,123)	(907,174)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(11,564)	15,734	(971)
Additional Loss on Sale of Project Partnerships for tax purposes	(62,740)	0	0
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Interest Income	566	0	0
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	76,999	77,022	79,874
Amortization Expense	0	0	(256)
Other Adjustments	(18,236)	(17,244)	(14,332)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	\$ (973,666) =====	\$ (1,009,915) =====	\$ (945,826) =====
	December 31, 2006 -----	December 31, 2005 -----	December 31, 2004 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 8,516 =====	\$ 1,484 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2007 are as follows:

	Financial Reporting Purposes	Tax Reporting Purposes	Differences
Investments in Local Limited Partnerships	\$ 0	\$ (9,075,286)	\$ 9,075,286
Other Assets	\$ 469,913	\$ 1,162,123	\$ (692,210)
Liabilities	\$ 929,733	\$ 8,736	\$ 920,997

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

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

SERIES 5	2007 ----	2006 ----	2005 ----
Net Loss per Financial Statements	\$ (194,685)	\$ (208,790)	\$ 15,153
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(862,361)	(854,948)	(791,008)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(23,044)	44,499	(7,065)
Additional Loss on Sale of Project Partnership for tax purposes	0	0	(157,126)
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Administrative Expense	(57)	0	0
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	92,470	90,877	(58,836)
Amortization Expense	35,858	85	4,380
Other Adjustments	(25,866)	(26,566)	(46,206)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	\$ (977,685) =====	\$ (954,843) =====	\$ (1,040,708) =====
	December 31, 2006 -----	December 31, 2005 -----	December 31, 2004 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 0 =====	\$ 20,278 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2007 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 125,403	\$(9,023,411)	\$ 9,148,814
Other Assets	\$ 277,429	\$ 1,327,715	\$(1,050,286)
Liabilities	\$ 682,447	\$ 10,678	\$ 671,769



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

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

SERIES 6	2007 ----	2006 ----	2005 ----
Net Loss per Financial Statements	\$ (332,668)	\$ (342,258)	\$ (198,709)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(800,074)	(815,335)	(849,870)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(255,313)	385,232	3,894
Additional Gain on Sale of Project Partnerships for tax purposes	0	188,930	0
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Administrative Expense	(46)	0	0
Interest Income	0	0	0
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	99,788	103,448	111,482
Amortization Expense	63,389	3,954	8,034
Impairment Expense	343,241	0	0
Other Adjustments	(32,725)	(23,282)	(36,754)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	\$ (914,408) =====	\$ (499,311) =====	\$ (961,923) =====
	December 31, 2006 -----	December 31, 2005 -----	December 31, 2004 -----
Federal Low Income Housing Tax Credits (Unaudited)	\$ 0 =====	\$ 0 =====	\$ 38,926 =====

The differences in the assets and liabilities of the Series for financial reporting purposes and tax reporting purposes for the year ended March 31, 2007 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 208,779	\$ (7,387,861)	\$ 7,596,640
Other Assets	\$ 474,370	\$ 1,670,608	\$ (1,196,238)
Liabilities	\$1,013,655	\$ 11,519	\$ 1,002,136

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

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

TOTAL SERIES 2 - 6	2007 ----	2006 ----	2005 ----
Net Loss per Financial Statements	\$ (419,794)	\$ (954,029)	\$ (461,690)
Equity in Losses of Project Partnerships for tax purposes less than (in excess of) losses for financial statement purposes	(3,718,707)	(3,975,528)	(4,098,500)
Adjustments to convert March 31, fiscal year end to December 31, taxable year end	(324,272)	481,376	(626)
Additional Gain (Loss) on Sale of Project Partnerships for tax purposes	(94,808)	188,930	(157,126)
Items Expensed for Tax purposes not expensed for Financial Statement purposes:			
Administrative Expense	(103)	0	0
Interest Income	566	0	0
Items Expensed for Financial Statement purposes not expensed for Tax purposes:			
Asset Management Fee	399,218	401,281	253,879
Amortization Expense	99,421	4,738	12,983
Impairment Expense	343,241	0	0
Other Adjustments	(99,020)	(102,920)	(132,375)
	-----	-----	-----
Gateway loss for tax purposes as of December 31	<u>\$ (3,814,259)</u>	<u>\$ (3,956,152)</u>	<u>\$ (4,583,455)</u>

The difference in the total value of Gateway's Investment in Project Partnerships is approximately \$7,958,671 higher for Series 2, \$7,034,773 higher for Series 3, \$9,075,286 higher for Series 4, \$9,148,814 higher for Series 5 and \$7,596,640 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 purposes.

The differences in the assets and liabilities of Gateway for financial reporting purposes and tax reporting purposes for the year ended March 31, 2007 are as follows:

	<u>Financial Reporting Purposes</u>	<u>Tax Reporting Purposes</u>	<u>Differences</u>
Investments in Local Limited Partnerships	\$ 334,182	\$ (40,480,001)	\$40,814,183
Other Assets	\$2,077,507	\$ 6,055,706	\$ (3,978,199)
Liabilities	\$4,304,796	\$ 45,180	\$ 4,259,616

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

<u>Series 2</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 2,556	\$ 1,237	\$ 1,600	\$ 9,816
Net Income (Loss)	\$ (21,277)	\$ (43,720)	\$ (31,286)	\$ (22,844)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (3.43)	\$ (7.05)	\$ (5.05)	\$ (3.69)

<u>Series 3</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 10,940	\$ 874	\$ 0	\$ 8,625
Net Income (Loss)	\$ (17,860)	\$ (39,285)	\$ 66,370	\$ 296,737
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (3.24)	\$ (7.13)	\$ 12.04	\$ 45.17

<u>Series 4</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 5,977	\$ 7,370	\$ 0	\$ 6,744
Net Income (Loss)	\$ (29,728)	\$ (41,536)	\$ (40,484)	\$ 32,472
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (4.26)	\$ (5.95)	\$ (5.80)	\$ (4.69)

<u>Series 5</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 12,500	\$ 6,528	\$ 1,654	\$ 6,130
Net Income (Loss)	\$ (37,249)	\$ (55,517)	\$ (45,256)	\$ (56,663)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (4.28)	\$ (6.38)	\$ (5.20)	\$ (6.51)

<u>Series 6</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 13,373	\$ 7,628	\$ 3,740	\$ 4,937
Net Income (Loss)	\$ (40,971)	\$ (49,935)	\$ (56,389)	\$ (185,373)
Earnings (Loss) Per Weighted Average Beneficial Assignee Certificates Outstanding	\$ (4.01)	\$ (4.89)	\$ (5.52)	\$ (18.17)

<u>Series 2 - 6</u> <u>Year 2007</u>	<u>Quarter 1</u> <u>6/30/2006</u>	<u>Quarter 2</u> <u>9/30/2006</u>	<u>Quarter 3</u> <u>12/31/2006</u>	<u>Quarter 4</u> <u>3/31/2007</u>
Total Revenues	\$ 45,346	\$ 23,637	\$ 6,994	\$ 36,252
Net Income (Loss)	\$ (147,085)	\$ (229,993)	\$ (107,045)	\$ 64,329

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

Series 2 <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)	\$ (8.47)
Series 3 <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)
Series 4 <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)
Series 5 <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)	\$ (10.23)
Series 6 <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)
Series 2 - 6 <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 8 - SUBSEQUENT EVENTS:

Series 2

Subsequent to the March 31, 2007 year-end Gateway sold its Project Partnership investment in Rolling Oaks II Apartments. Gateway realized approximately \$55,000 in net proceeds or approximately \$8.96 per beneficial assignee certificate from this sale transaction which will be distributed to the Series 2 Assignees in the 2<sup>nd</sup> quarter of fiscal year 2008.

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

INDEPENDENT AUDITORS' REPORT

To the Partners  
Meadowcrest Apartments Ltd.  
Luverne, Alabama

We have audited the accompanying balance sheets of Meadowcrest Apartments, Ltd., a limited partnership, 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

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

None.

Item 9A. Controls and Procedures

Within 90 days prior to the filing of this report, under the supervision and with the participation of Gateway's management, including the chief executive and chief financial officers of Gateway's Managing General Partner, an evaluation of the effectiveness of Gateway'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 Gateway'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 Gateway required to be included in this report and Gateway's other reports that it files or submits under the Securities Exchange Act of 1934. There were no significant changes in Gateway's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Item 9a(T). Controls and Procedures

Not applicable to Gateway's annual report for fiscal year ended March 31, 2007.

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 63, 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 III, age 51, is a Vice President and a Director. He is a Senior Managing Director 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 Tax Credit Funds, Inc. is a wholly owned subsidiary of Raymond James Financial, Inc. ("RJF"). RJF has adopted a Business Ethics and Corporate Policy that is applicable to the officers and employees of Raymond James Tax Credit Funds, Inc., the Managing General Partner of Gateway. That policy is posted on RJF's Internet website at <http://www.raymondjames.com> under "About Our Company" --- Investor Relations --- Corporate Governance --- Employee Code of Ethics.

##### Raymond James Partners, Inc. -

Raymond James Partners, Inc. was formed to act as the general partner, with affiliated corporations, in limited partnerships sponsored by Raymond James Financial, Inc.

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, 2007.

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 and Director Independence

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. See Note 4 of Notes to Financial Statements in Item 8 of this Annual Report on Form 10-K for amounts accrued or paid to the General Partners and their affiliates during the years ended March 31, 2007, 2006, and 2005.



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, 2007, 2006 and 2005 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.

	2007	2006	2005
	----	----	----
Series 2	\$ 67,315	\$ 67,609	\$ 67,609
Series 3	58,055	62,716	62,717
Series 4	74,671	77,205	77,205
Series 5	92,287	92,722	92,722
Series 6	101,242	101,592	104,509
	-----	-----	-----
Total	\$ 393,570	\$ 401,844	\$ 404,762
	=====	=====	=====

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.

	2007	2006	2005
	----	----	----
Series 2	\$ 61,537	\$ 47,681	\$ 32,074
Series 3	63,702	49,848	33,531
Series 4	81,118	62,853	42,279
Series 5	97,901	77,443	52,484
Series 6	103,495	81,777	55,400
	-----	-----	-----
Total	\$ 407,753	\$ 319,602	\$ 215,768
	=====	=====	=====

Total unpaid asset management fees and administrative expenses payable to the General Partners, which are included on the Balance Sheet as of March 31, 2007 and 2006 are as follows:

	March 31, 2007	March 31, 2006
	-----	-----
Series 2	\$ 715,273	\$ 647,557
Series 3	606,565	546,061
Series 4	782,789	706,659
Series 5	682,447	589,347
Series 6	1,013,609	912,027
	-----	-----
Total	\$3,800,683	\$3,401,651
	=====	=====

#### Item 14. Principal Accounting Fees & Services

##### Audit Fees

The aggregate fees billed by Gateway'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 Gateway's quarterly report on Form 10-Q was \$50,000 and \$40,000 for the years ended March 31, 2007 and 2006, respectively. The aggregate fees incurred by Gateway's former principal accounting firm, Spence, Marston, Bunch, Morris and Co., totaled \$2,000 for the year ended March 31, 2007 for services pertaining to prior years audit reports and \$1,750 during fiscal year 2006 for review of certain quarterly reports on Form 10-Q.

##### Tax Fees

During fiscal 2007 and 2006, Spence, Marston, Bunch, Morris and Co. was engaged to prepare Gateway's federal tax return, for which they billed \$9,000 and \$7,000 for 2007 and 2006, respectively.

#### Other Fees

The two members of Raymond James Tax Credit Funds, Inc. Board of Directors, Ronald M. Diner and J. Davenport Mosby III also serve as the members of the Audit Committee on behalf of Gateway. The audit committee charter requires that the committee approve the engagement of the principal accounting firm prior to the rendering of any audit or non-audit services. During fiscal 2007, 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

Schedule IV - Mortgage loans on real estate

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 Listing

<u>Exhibit Number</u>	<u>Description</u>
3.1	Amended Certificate of Limited Partnership of Gateway Tax Credit Fund, Ltd. (Filed as an Exhibit to Registration Statement on Form S-11, File No. 33-31821 and incorporated herein by reference.)
4.1	The form of Partnership Agreement of the Partnership (included as Exhibit "A" to the Prospectus, File No. 33-31821, 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.)

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, 2006

SERIES 2  
Apartment Properties

Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Claxton Elderly	Claxton, GA	24	642,668
Deerfield II	Douglas, GA	24	685,046
Hartwell Family	Hartwell, GA	24	688,430
Cherrytree Apts.	Albion, PA	33	1,171,645
Springwood Apts.	Westfield, NY	32	1,222,313
Lakeshore Apts.	Tuskegee, AL	34	1,028,943
Lewiston	Lewiston, NY	25	977,060
Charleston	Charleston, AR	32	822,721
Sallisaw II	Sallisaw, OK	47	1,168,971
Pocola	Pocola, OK	36	964,101
Inverness Club	Inverness, FL	72	2,920,262
Pearson Elderly	Pearson, GA	25	604,276
Richland Elderly	Richland, GA	34	846,957
Lake Park	Lake Park, GA	48	1,451,303
Woodland Terrace	Waynesboro, GA	30	866,842
Mt. Vernon Elderly	Mt. Vernon, GA	21	560,309
Lakeland Elderly	Lakeland, GA	29	760,210
Prairie Apartments	Eagle Butte, SD	21	953,728
Sylacauga Heritage	Sylacauga, AL	44	1,353,436
Manchester Housing	Manchester, GA	49	1,421,548
Durango C.W.W.	Durango, CO	24	1,013,039
Columbus Sr.	Columbus, KS	16	426,278
			-----
			\$ 22,550,086
			=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 2  
Apartment Properties

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	33,600	820,962	0
Hartwell Family	22,700	836,998	0
Cherrytree Apts.	62,000	1,376,297	27,810
Springwood Apts.	21,500	1,451,283	95,730
Lakeshore Apts.	28,600	1,238,749	37,108
Lewiston	38,400	1,178,185	17,350
Charleston	16,000	1,060,098	0
Sallisaw II	37,500	1,480,089	0
Pocola	22,500	1,223,370	0
Inverness Club	205,500	3,111,565	179,759
Pearson Elderly	15,000	767,590	(1,130)
Richland Elderly	31,500	1,027,512	(1,141)
Lake Park	88,000	1,710,725	(4,183)
Woodland Terrace	36,400	1,047,107	(1,315)
Mt. Vernon Elderly	21,750	680,437	(1,252)
Lakeland Elderly	28,000	930,574	(2,760)
Prairie Apartments	66,500	1,150,214	184,702
Sylacauga Heritage	66,080	1,648,081	68,356
Manchester Housing	36,000	1,746,076	(462)
Durango C.W.W.	140,250	1,123,454	113,814
Columbus Sr.	64,373	444,257	33,424
	-----	-----	-----
	\$1,115,553	\$26,819,761	\$ 754,904
	=====	=====	=====

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, 2006

SERIES 2

Apartment Properties

Gross Amount At Which Carried At December 31, 2006

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.	28,520	1,539,993	1,568,513
Lakeshore Apts.	33,414	1,271,043	1,304,457
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	1,045,792	1,082,192
Mt. Vernon Elderly	21,750	679,185	700,935
Lakeland Elderly	28,000	927,814	955,814
Prairie Apartments	109,044	1,292,372	1,401,416
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	1,237,268	1,377,518
Columbus Sr.	71,440	470,614	542,054
	-----	-----	-----
	\$1,188,434	\$27,501,784	\$28,690,218
	=====	=====	=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 2

Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
Claxton Elderly	458,423	5-27.5
Deerfield II	490,069	5-27.5
Hartwell Family	502,073	5-27.5
Cherrytree Apts.	579,280	5-27.5
Springwood Apts.	664,438	5-40
Lakeshore Apts.	548,401	5-40
Lewiston	486,589	5-40
Charleston	703,532	5-25
Sallisaw II	960,847	5-25
Pocola	728,188	5-27.5
Inverness Club	1,874,969	5-27.5
Pearson Elderly	420,042	5-30
Richland Elderly	556,884	5-30
Lake Park	960,642	5-30
Woodland Terrace	571,649	5-30
Mt. Vernon Elderly	372,885	5-30
Lakeland Elderly	504,626	5-30
Prairie Apartments	603,947	5-40
Sylacauga Heritage	743,932	5-40
Manchester Housing	937,815	5-30
Durango C.W.W.	520,173	5-40
Columbus Sr.	320,413	5-27.5
	-----	
	\$14,509,817	
	=====	

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, 2006

SERIES 3			
Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Poteau II	Poteau, OK	52	1,262,905
Sallisaw	Sallisaw, OK	52	1,282,190
Nowata Properties	Oolagah, OK	32	837,803
Waldron Properties	Waldron, AR	24	623,604
Roland II	Roland, OK	52	1,279,965
Stilwell	Stilwell, OK	48	1,161,938
Hornellsville	Arkport, NY	24	871,568
Sunchase II	Watertown, SD	41	1,176,774
CE McKinley II	Rising Sun, MD	16	551,354
Weston Apartments	Weston, AL	10	266,943
Countrywood Apts.	Centreville, AL	40	1,166,581
Wildwood Apts.	Pineville, LA	28	829,462
Hancock	Hawesville, KY	12	342,931
Hopkins	Madisonville, KY	24	710,649
Elkhart Apts.	Elkhart, TX	54	1,078,853
Heritage Villas	Helena, GA	25	662,032
Logansport Seniors	Logansport, LA	32	1,118,560
			-----
			\$15,224,112
			=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 3			
Apartment Properties Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
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
Hornellsville	41,225	1,018,523	110,568
Sunchase II	113,115	1,198,373	168,631
CE McKinley II	11,762	745,635	91,265
Weston Apartments	0	339,144	8,433
Countrywood Apts.	55,750	1,447,439	118,356
Wildwood Apts.	48,000	1,018,897	39,791
Hancock	20,700	419,725	0
Hopkins	43,581	885,087	(1,412)
Elkhart Apts.	35,985	1,361,096	293,428
Heritage Villas	21,840	801,128	1,791
Logansport Seniors	27,621	1,058,773	298,357
			-----
	\$ 745,406	\$18,911,712	\$1,129,208
	=====	=====	=====

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, 2006

SERIES 3

Apartment Properties

Gross Amount At Which Carried At December 31, 2006

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
Hornellsville	41,225	1,129,091	1,170,316
Sunchase II	120,858	1,359,261	1,480,119
CE McKinley II	11,749	836,913	848,662
Weston Apartments	0	347,577	347,577
Countrywood Apts.	59,940	1,561,605	1,621,545
Wildwood Apts.	48,000	1,058,688	1,106,688
Hancock	20,700	419,725	440,425
Hopkins	43,581	883,675	927,256
Elkhart Apts.	23,378	1,667,131	1,690,509
Heritage Villas	21,840	802,919	824,759
Logansport Seniors	27,621	1,357,130	1,384,751
	\$ 744,719	\$20,041,607	\$20,786,326
	=====	=====	=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 3

Partnership

Accumulated Depreciation

Depreciable Life

Partnership	Accumulated Depreciation	Depreciable Life
Poteau II	1,269,111	5-25
Sallisaw	1,209,986	5-25
Nowata Properties	789,301	5-25
Waldron Properties	597,487	5-25
Roland II	1,278,342	5-25
Stilwell	1,142,120	5-25
Hornellsville	745,698	5-27.5
Sunchase II	688,186	5-40
CE McKinley II	552,509	5-27.5
Weston Apartments	235,932	5-27.5
Countrywood Apts.	1,009,690	5-27.5
Wildwood Apts.	642,312	5-30
Hancock	249,424	5-27.5
Hopkins	525,139	5-27.5
Elkhart Apts.	1,039,014	5-25
Heritage Villas	444,483	5-30
Logansport Seniors	523,169	5-40
	\$12,941,903	
	=====	

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, 2006

SERIES 4			
Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
Seneca Apartments	Seneca, MO	24	595,304
Eudora Senior	Eudora, KS	36	937,429
Westville	Westville, OK	36	839,986
Wellsville Senior	Wellsville, KS	24	633,441
Stilwell II	Stilwell, OK	52	1,259,978
Spring Hill Senior	Spring Hill, KS	24	681,038
Tarpon Heights	Galliano, LA	48	1,372,818
Oaks Apartments	Oakdale, LA	32	796,106
Wynnwood Common	Fairchance, PA	34	1,340,852
Chestnut Apartments	Howard, SD	24	836,165
St. George	St. George, SC	24	735,713
Williston	Williston, SC	24	781,078
Brackettville Sr.	Brackettville, TX	32	804,278
Sonora Seniors	Sonora, TX	32	824,492
Ozona Seniors	Ozona, TX	24	617,690
Fredericksburg Sr.	Fredericksburg, TX	48	1,177,484
St. Joseph	St. Joseph, IL	24	809,871
Courtyard	Huron, SD	21	696,321
Rural Development	Ashland, ME	25	1,180,721
Jasper Villas	Jasper, AR	25	839,945
Jonesville Manor	Jonesville, VA	40	1,320,675
Norton Green	Norton, VA	40	1,311,765
Timpson Seniors	Timpson, TX	28	658,399
Piedmont	Barnesville, GA	36	1,018,623
S.F. Arkansas City	Arkansas City, KS	12	335,627
			-----
			\$22,405,799
			=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 4			
Apartment Properties Partnership	Cost At Acquisition		Net Improvements Capitalized Subsequent to Acquisition
	Land	Buildings, Improvements and Equipment	
Seneca Apartments	76,212	640,702	104,215
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
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	5,681
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	51,699
Rural Development	38,200	1,361,892	28,911
Jasper Villas	27,000	1,067,890	28,096
Jonesville Manor	100,000	1,578,135	106,294
Norton Green	120,000	1,535,373	173,477
Timpson Seniors	13,500	802,416	0
Piedmont	29,500	1,259,547	0
S.F. Arkansas City	16,800	395,228	0
	-----	-----	-----
	\$1,133,472	\$26,893,090	\$2,102,157
	=====	=====	=====



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, 2006

SERIES 4

Apartment Properties

Gross Amount At Which Carried At December 31, 2006

Partnership	Land	Buildings, Improvements and Equipment	Total
-----	----	-----	-----
Seneca Apartments	79,386	741,743	821,129
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
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	965,026	990,026
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	856,838	886,309
Rural Development	38,200	1,390,803	1,429,003
Jasper Villas	27,000	1,095,986	1,122,986
Jonesville Manor	100,000	1,684,429	1,784,429
Norton Green	120,000	1,708,850	1,828,850
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
-----	-----	-----	-----
	\$1,212,499	\$28,916,220	\$30,128,719
=====	=====	=====	=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006

SERIES 4

Apartment Properties

Partnership	Accumulated Depreciation	Depreciable Life
-----	-----	-----
Seneca Apartments	482,149	5-27.5
Eudora Senior	717,244	5-27.5
Westville	637,120	5-27.5
Wellsville Senior	460,362	5-25
Stilwell II	966,190	5-27.5
Spring Hill Senior	647,577	5-25
Tarpon Heights	697,720	5-40
Oaks Apartments	522,580	5-40
Wynnwood Common	690,067	5-40
Chestnut Apartments	492,323	5-40
St. George	570,360	5-27.5
Williston	577,841	5-27.5
Brackettville Sr.	374,633	5-40
Sonora Seniors	389,006	5-40
Ozona Seniors	283,335	5-40
Fredericksburg Sr.	534,879	5-40
St. Joseph	565,659	5-27.5
Courtyard	497,981	5-27.5
Rural Development	851,412	5-27.5
Jasper Villas	457,025	5-40
Jonesville Manor	985,499	5-27.5
Norton Green	1,026,842	5-27.5
Timpson Seniors	333,713	5-40
Piedmont	560,942	5-27.5
S.F. Arkansas City	234,664	5-27.5
-----	-----	-----
	\$14,557,123	
=====	=====	

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, 2006

SERIES 5 Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Seymour	Seymour, IN	37	1,208,960
Effingham	Effingham, IL	24	786,073
S.F. Winfield	Winfield, KS	12	327,812
S.F.Medicine Lodge	Medicine Lodge,KS	16	446,851
S.F. Ottawa	Ottawa, KS	24	562,545
S.F. Concordia	Concordia, KS	20	548,664
Carrollton Club	Carrollton, GA	78	2,615,056
Scarlett Oaks	Lexington, SC	40	1,357,065
Brooks Hill	Ellijay, GA	44	1,428,626
Greensboro	Greensboro, GA	24	714,573
Greensboro II	Greensboro, GA	32	878,253
Pine Terrace	Wrightsville, GA	24	710,115
Shellman	Shellman, GA	27	721,748
Blackshear	Cordele, GA	46	1,290,416
Crisp Properties	Cordele, GA	31	910,271
Crawford	Crawford, GA	25	727,680
Yorkshire	Wagoner, OK	60	2,035,490
Woodcrest	South Boston, VA	40	1,239,859
Fox Ridge	Russellville, AL	24	720,474
Redmont II	Red Bay, AL	24	680,279
Clayton	Clayton, OK	24	653,073
Alma	Alma, AR	24	717,627
Pemberton Village	Hiawatha, KS	24	624,409
Magic Circle	Eureka, KS	24	640,033
Spring Hill	Spring Hill, KS	36	1,101,039
Menard Retirement	Menard, TX	24	614,238
Wallis Housing	Wallis, TX	24	383,337
Zapata Housing	Zapata, TX	40	955,915
Mill Creek	Grove, OK	60	1,400,753
Portland II	Portland, IN	20	569,662
Georgetown	Georgetown, OH	24	724,248
Cloverdale	Chandler, TX	24	741,553
S. Timber Ridge	Cloverdale, IN	44	1,041,693
Pineville	Pineville, MO	12	312,642
Ravenwood	Americus, GA	24	708,808
			-----
			\$31,099,840
			=====

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, 2006

SERIES 5  
Apartment Properties

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	654,881
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	345,882
Woodcrest	70,000	842,335	720,079
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	363,593
Georgetown	0	149,483	847,122
Cloverdale	40,000	583,115	395,597
S. Timber Ridge	43,705	1,233,570	70,311
Pineville	59,661	328,468	45,851
Ravenwood	14,300	873,596	13,100
	-----	-----	-----
	\$1,401,999	\$24,326,999	\$13,961,756
	=====	=====	=====

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, 2006

SERIES 5

Apartment Properties

Gross Amount At Which Carried At December 31, 2006

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	1,635,939	1,691,514
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	2,538,039	2,657,927
Woodcrest	70,000	1,562,414	1,632,414
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	802,378	817,378
Georgetown	50,393	946,212	996,605
Cloverdale	40,000	978,712	1,018,712
S. Timber Ridge	33,300	1,314,286	1,347,586
Pineville	61,056	372,924	433,980
Ravenwood	14,300	886,696	900,996
	\$1,612,102	\$38,078,652	\$39,690,754

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, 2006

SERIES 5 Partnership -----	Accumulated Depreciation -----	Depreciable Life -----
Seymour	849,073	5-27.5
Effingham	543,560	5-27.5
S.F. Winfield	229,861	5-27.5
S.F.Medicine Lodge	297,309	5-27.5
S.F. Ottawa	418,757	5-27.5
S.F. Concordia	399,101	5-27.5
Carrollton Club	1,565,986	5-27.5
Scarlett Oaks	839,647	5-27.5
Brooks Hill	872,160	5-27.5
Greensboro	420,069	5-30
Greensboro II	529,269	5-30
Pine Terrace	452,758	5-30
Shellman	458,931	5-30
Blackshear	770,896	5-30
Crisp Properties	553,172	5-30
Crawford	451,808	5-30
Yorkshire	851,765	5-50
Woodcrest	577,534	5-40
Fox Ridge	294,508	5-50
Redmont II	285,315	5-50
Clayton	476,064	5-27.5
Alma	571,700	5-25
Pemberton Village	438,270	5-27.5
Magic Circle	450,052	5-27.5
Spring Hill	839,876	5-25
Menard Retirement	230,712	5-30
Wallis Housing	299,902	5-30
Zapata Housing	441,762	5-27.5
Mill Creek	1,043,730	5-25
Portland II	372,047	5-27.5
Georgetown	418,687	5-50
Cloverdale	573,076	5-27.5
S. Timber Ridge	789,778	5-25
Pineville	245,206	5-27.5
Ravenwood	339,788	5-27.5
	-----	
	\$19,192,129	
	=====	

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, 2006

SERIES 6 Apartment Properties Partnership	Location	# of Units	Mortgage Loan Balance
-----	-----	-----	-----
Spruce	Pierre, SD	24	895,639
Shannon Apartments	O'Neill, NE	16	524,129
Carthage	Carthage, MO	24	557,262
Coal City	Coal City, IL	24	956,195
Blacksburg Terrace	Blacksburg, SC	32	1,061,228
Frazier	Smyrna, DE	30	1,440,715
Ehrhardt	Ehrhardt, SC	16	548,717
Sinton	Sinton, TX	32	831,957
Frankston	Frankston, TX	24	549,052
Flagler Beach	Flagler Beach, FL	43	1,375,503
Oak Ridge	Williamsburg, KY	24	794,786
Monett	Monett, MO	32	770,981
Arma	Arma, KS	28	703,434
Southwest City	Southwest City, MO	12	311,685
Meadowcrest	Luverne, AL	32	984,894
Parsons	Parsons, KS	48	1,230,818
Newport Village	Newport, TN	40	1,271,276
Goodwater Falls	Jenkins, KY	36	1,067,565
Northfield Station	Corbin, KY	24	781,074
Pleasant Hill Square	Somerset, KY	24	762,826
Winter Park	Mitchell, SD	24	980,840
Cornell	Watertown, SD	24	851,801
Heritage Drive S.	Jacksonville, TX	40	961,118
Brodhead	Brodhead, KY	24	769,501
Mt. Village	Mt. Vernon, KY	24	767,537
Hazelhurst	Hazlehurst, MS	32	939,949
Sunrise	Yankton, SD	33	1,137,508
Stony Creek	Hooversville, PA	32	1,313,314
Logan Place	Logan, OH	40	1,227,319
Haines	Haines, AK	32	2,335,876
Maple Wood	Barbourville, KY	24	778,941
Summerhill	Gassville, AR	28	1,167,891
Dorchester	St. George, SC	12	453,569
Lancaster	Mountain View, AR	33	1,066,724
Autumn Village	Harrison, AR	16	112,696
Hardy	Hardy, AR	25	272,603
Dawson	Dawson, GA	40	1,160,429
			-----
			\$33,717,352
			=====

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, 2006

SERIES 6  
Apartment Properties

Partnership -----	Cost At Acquisition -----		Net Improvements Capitalized Subsequent to Acquisition -----
	Land -----	Buildings, Improvements and Equipment -----	
Spruce	\$ 60,040	\$ 108,772	1,012,714
Shannon Apartments	5,000	94,494	605,300
Carthage	115,814	578,597	80,684
Coal City	60,055	1,121,477	147,091
Blacksburg Terrace	39,930	1,278,860	59,726
Frazier	51,665	1,619,209	5,968
Ehrhardt	9,020	671,750	29,111
Sinton	42,103	985,010	25,946
Frankston	30,000	639,068	7,863
Flagler Beach	118,575	1,534,541	65,560
Oak Ridge	40,000	995,782	9,864
Monett	170,229	782,795	81,562
Arma	85,512	771,316	51,666
Southwest City	67,303	319,272	50,307
Meadowcrest	72,500	1,130,651	35,324
Parsons	49,780	1,483,188	0
Newport Village	61,350	1,470,505	146,355
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	115,612
Cornell	32,000	1,017,572	118,227
Heritage Drive S.	44,247	1,151,157	39,694
Brodhead	21,600	932,468	28,620
Mt. Village	55,000	884,596	19,913
Hazelhurst	60,000	1,118,734	11,422
Sunrise	90,000	1,269,252	140,341
Stony Creek	0	1,428,656	227,479
Logan Place	39,300	1,477,527	10,085
Haines	189,323	2,851,953	66,487
Maple Wood	79,000	924,144	36,646
Summerhill	23,000	788,157	508,629
Dorchester	13,000	239,455	308,553
Lancaster	37,500	1,361,272	(11,737)
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	\$5,857,343
	=====	=====	=====

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, 2006

SERIES 6

Apartment Properties

Gross Amount At Which Carried At December 31, 2006

Partnership	Land	Buildings, Improvements and Equipment	Total
-----	----	-----	-----
Spruce	86,308	1,095,218	1,181,526
Shannon Apartments	21,526	683,268	704,794
Carthage	119,404	655,691	775,095
Coal City	60,055	1,268,568	1,328,623
Blacksburg Terrace	39,930	1,338,586	1,378,516
Frazier	51,665	,625,177	1,676,842
Ehrhardt	9,020	700,861	709,881
Sinton	42,103	1,010,956	1,053,059
Frankston	30,000	646,931	676,931
Flagler Beach	118,575	1,600,101	1,718,676
Oak Ridge	40,000	1,005,646	1,045,646
Monett	173,663	860,923	1,034,586
Arma	89,512	818,982	908,494
Southwest City	88,436	348,446	436,882
Meadowcrest	87,700	1,150,775	1,238,475
Parsons	49,780	1,483,188	1,532,968
Newport Village	61,350	1,616,860	1,678,210
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	102,494	1,229,237	1,331,731
Cornell	44,479	1,123,320	1,167,799
Heritage Drive S.	37,440	1,197,658	1,235,098
Brodhead	21,600	961,088	982,688
Mt. Village	55,000	904,509	959,509
Hazelhurst	60,000	1,130,156	1,190,156
Sunrise	112,363	1,387,230	1,499,593
Stony Creek	108,200	1,547,935	1,656,135
Logan Place	39,300	1,487,612	1,526,912
Haines	189,323	2,918,440	3,107,763
Maple Wood	79,000	960,790	1,039,790
Summerhill	23,000	1,296,786	1,319,786
Dorchester	13,000	548,008	561,008
Lancaster	37,500	1,349,535	1,387,035
Autumn Village	20,000	596,082	616,082
Hardy	21,250	910,739	931,989
Dawson	40,000	1,434,973	1,474,973
-----	-----	-----	-----
	\$2,278,776	\$42,187,940	\$44,466,716
=====	=====	=====	=====



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, 2006

SERIES 6 Partnership -----	Accumulated Depreciation -----	Depreciable Life -----
Spruce	505,609	5-30
Shannon Apartments	270,139	5-40
Carthage	464,781	5-27.5
Coal City	522,742	5-27.5
Blacksburg Terrace	781,085	5-27.5
Frazier	946,877	5-27.5
Ehrhardt	368,322	5-27.5
Sinton	319,231	5-50
Frankston	201,594	5-30
Flagler Beach	603,132	5-40
Oak Ridge	543,048	5-27.5
Monett	585,312	5-27.5
Arma	541,583	5-27.5
Southwest City	247,211	5-27.5
Meadowcrest	461,351	5-40
Parsons	872,507	5-27.5
Newport Village	891,255	5-27.5
Goodwater Falls	536,390	5-27.5
Northfield Station	375,895	5-27.5
Pleasant Hill Square	359,476	5-27.5
Winter Park	566,719	5-40
Cornell	437,100	5-40
Heritage Drive S.	688,100	5-25
Brodhead	356,393	5-40
Mt. Village	341,545	5-50
Hazelhurst	383,205	5-40
Sunrise	728,796	5-27.5
Stony Creek	594,626	5-27.5
Logan Place	686,179	5-27.5
Haines	1,554,156	5-27.5
Maple Wood	525,016	5-27.5
Summerhill	450,681	5-27.5
Dorchester	282,340	5-27.5
Lancaster	545,113	5-40
Autumn Village	234,279	5-40
Hardy	345,761	5-40
Dawson	479,428	5-40
	-----	
	\$19,596,977	
	=====	

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006  
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, 2005		\$28,618,751
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	48,934	
Improvements, etc.	22,533	
Other	0	
	-----	
		71,467
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	-----	
		0
		-----
Balance at end of period - December 31, 2006		\$28,690,218
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2005	886,431	\$13,623,386
Current year expense	0	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	-----	
		886,431
		-----
Balance at end of period - December 31, 2006		\$ 14,509,817
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006  
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, 2005		\$28,371,578
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	130,599	
Improvements, etc.	(70,733)	
Other	0	
	-----	
		59,866
Deductions during period:		
Cost of real estate sold	(7,645,116)	
Other	(2)	
	-----	
		(7,645,118)
		-----
Balance at end of period - December 31, 2006		\$20,786,326
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2005		\$16,335,525
Current year expense	730,021	
Less Accumulated Depreciation of real estate sold	(4,123,641)	
Prior Year Adjustment	(2)	
	-----	
		(3,393,622)
		-----
Balance at end of period - December 31, 2006		\$12,941,903
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006  
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, 2005		\$34,610,262
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	216,078	
Improvements, etc.	(32,540)	
Other	0	
	-----	
		183,538
Deductions during period:		
Cost of real estate sold	(4,533,671)	
Other	(131,410)	
	-----	
		(4,665,081)
		-----
Balance at end of period - December 31, 2006		\$30,128,719
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2005		\$ 15,441,345
Current year expense	1,043,927	
Less Accumulated Depreciation of real estate sold	(1,796,739)	
Prior Year Adjustment	(131,410)	
	-----	
		(884,222)
		-----
Balance at end of period - December 31, 2006		\$14,557,123
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006  
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, 2005		\$39,627,850
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	61,854	
Improvements, etc.	1,050	
Other	0	
	-----	
		62,904
Deductions during period:		
Cost of real estate sold	0	
Other	0	
	-----	
		0
		-----
Balance at end of period - December 31, 2006		\$39,690,754
		=====
Reconciliation of Accumulated Depreciation current year changes:		
Balance at beginning of period - December 31, 2005		\$17,923,547
Current year expense	1,220,039	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	48,543	
	-----	
		1,268,582
		-----
Balance at end of period December 31, 2006		\$19,192,129
		=====

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION  
OF PROPERTY OWNED BY PROJECT PARTNERSHIPS INVESTED IN  
AS OF DECEMBER 31, 2006  
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, 2005		\$43,703,957
Additions during period:		
Acquisitions through foreclosure	0	
Other acquisitions	749,565	
Improvements, etc.	13,194	
Other	0	
	-----	
Deductions during period:		762,759
Cost of real estate sold (Mt.Crest)	0	
Other	0	
	-----	
		0
		-----
Balance at end of period - December 31, 2006		\$44,466,716
		=====

Reconciliation of Accumulated Depreciation current year changes:

Balance at beginning of period - December 31, 2005		\$18,360,632
Current year expense	1,303,793	
Less Accumulated Depreciation of real estate sold	0	
Prior Year Adjustment	(67,448)	
	-----	
		1,236,345
		-----
Balance at end of period - December 31, 2006		\$19,596,977
		=====

GATEWAY TAX CREDIT FUND II LTD.  
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
AS OF DECEMBER 31, 2006

SERIES 2

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
-----	-----	-----	-----	-----	-----
Claxton Elderly	24	642,668	8.75%	5,883	50
Deerfield II	24	685,046	8.75%	6,284	50
Hartwell Family	24	688,430	8.75%	5,307	50
Cherrytree Apts.	33	1,171,645	8.75%	9,011	50
Springwood Apts.	32	1,222,313	8.75%	9,218	50
Lakeshore Apts.	34	1,028,943	8.75%	7,905	50
Lewiston	25	977,060	9.00%	7,720	50
Charleston	32	822,721	8.75%	6,333	50
Sallisaw II	47	1,168,971	8.75%	8,980	50
Pocola	36	964,101	8.75%	7,407	50
Inverness Club	72	2,920,262	8.75%	27,905	50
Pearson Elderly	25	604,276	9.00%	4,926	50
Richland Elderly	34	846,957	8.75%	6,517	50
Lake Park	48	1,451,303	9.00%	11,466	50
Woodland Terrace	30	866,842	8.75%	6,666	50
Mt. Vernon Elderly	21	560,309	8.75%	4,309	50
Lakeland Elderly	29	760,210	8.75%	5,882	50
Prairie Apartments	21	953,728	9.00%	7,515	50
Sylacauga Heritage	44	1,353,436	8.75%	10,536	50
Manchester Housing	49	1,421,548	8.75%	10,958	50
Durango C.W.W.	24	1,013,039	9.00%	7,739	50
Columbus Sr.	16	426,278	8.25%	3,102	50
		\$22,550,086			
		=====			

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
AS OF DECEMBER 31, 2006

SERIES 3

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
-----	-----	-----	-----	-----	-----
Poteau II	52	1,262,905	9.50%	10,682	50
Sallisaw	52	1,282,190	9.50%	10,654	50
Nowata Properties	32	837,803	9.50%	6,905	50
Waldron Properties	24	623,604	9.00%	4,950	50
Roland II	52	1,279,965	9.50%	10,657	50
Stilwell	48	1,161,938	9.50%	9,727	50
Hornellsville	24	871,568	9.00%	6,927	50
Sunchase II	41	1,176,774	9.00%	9,279	50
CE McKinley II	16	551,354	8.75%	5,146	50
Weston Apartments	10	266,943	9.00%	2,131	50
Countrywood Apts.	40	1,166,581	9.00%	9,310	50
Wildwood Apts.	28	829,462	9.50%	6,906	50
Hancock	12	342,931	9.50%	3,119	50
Hopkins	24	710,649	8.75%	5,815	50
Elkhart Apts.	54	1,078,853	9.00%	9,198	40
Heritage Villas	25	662,032	8.75%	5,110	50
Logansport Seniors	32	1,118,560	8.75%	6,745	50
		\$15,224,112			
		=====			

GATEWAY TAX CREDIT FUND II LTD.  
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
AS OF DECEMBER 31, 2006

SERIES 4

PARTNERSHIP -----	# OF UNITS -----	BALANCE -----	INTEREST RATE -----	MONTHLY DEBT SERVICE -----	TERM (YEARS) -----
Seneca Apartments	24	595,304	9.00%	4,692	50
Eudora Senior	36	937,429	8.75%	7,269	50
Westville	36	839,986	8.75%	6,448	50
Wellsville Senior	24	633,441	8.75%	4,859	50
Stilwell II	52	1,259,978	8.75%	9,672	50
Spring Hill Senior	24	681,038	8.75%	5,236	50
Tarpon Heights	48	1,372,818	8.75%	9,347	50
Oaks Apartments	32	796,106	9.00%	6,663	50
Wynnwood Common	34	1,340,852	8.75%	10,300	50
Chestnut Apartments	24	836,165	8.75%	6,419	50
St. George	24	735,713	8.75%	5,677	50
Williston	24	781,078	9.00%	6,147	50
Brackettville Sr.	32	804,278	8.75%	6,172	50
Sonora Seniors	32	824,492	8.75%	6,337	50
Ozona Seniors	24	617,690	8.75%	4,744	50
Fredericksburg Sr.	48	1,177,484	8.75%	9,050	50
St. Joseph	24	809,871	9.00%	6,379	50
Courtyard	21	696,321	9.25%	5,622	50
Rural Development	25	1,180,721	9.25%	9,539	50
Jasper Villas	25	839,945	8.75%	6,450	50
Jonesville Manor	40	1,320,675	8.75%	10,159	50
Norton Green	40	1,311,765	8.75%	10,085	50
Timpson Seniors	28	658,399	8.75%	5,058	50
Piedmont	36	1,018,623	8.75%	7,856	50
S.F. Arkansas City	12	335,627	10.62%	3,056	50
		\$22,405,799			
		=====			

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
AS OF DECEMBER 31, 2006

SERIES 5

PARTNERSHIP -----	# OF UNITS -----	BALANCE -----	INTEREST RATE -----	MONTHLY DEBT SERVICE -----	TERM (YEARS) -----
Seymour	37	1,208,960	8.75%	9,346	50
Effingham	24	786,073	8.75%	6,032	50
S.F. Winfield	12	327,812	11.37%	3,016	50
S.F. Medicine Lodge	16	446,851	10.62%	4,049	50
S.F. Ottawa	24	562,545	10.62%	5,126	50
S.F. Concordia	20	548,664	11.87%	5,498	50
Carrollton Club	78	2,615,056	7.75%	18,064	50
Scarlett Oaks	40	1,357,065	8.25%	9,870	50
Brooks Hill	44	1,428,626	8.25%	10,398	50
Greensboro	24	714,573	7.75%	4,937	50
Greensboro II	32	878,253	7.75%	6,129	50
Pine Terrace	24	710,115	8.25%	5,172	50
Shellman	27	721,748	8.25%	5,264	50
Blackshear	46	1,290,416	8.25%	9,389	50
Crisp Properties	31	910,271	8.25%	6,632	50
Crawford	25	727,680	8.25%	5,302	50
Yorkshire	60	2,035,490	8.25%	14,842	50
Woodcrest	40	1,239,859	8.25%	9,402	50
Fox Ridge	24	720,474	9.00%	5,673	50
Redmont II	24	680,279	8.75%	5,355	50
Clayton	24	653,073	8.25%	4,760	50
Alma	24	717,627	8.75%	8,018	50
Pemberton Village	24	624,409	8.75%	4,782	50
Magic Circle	24	640,033	8.75%	4,913	50
Spring Hill	36	1,101,039	8.25%	8,018	50
Menard Retirement	24	614,238	8.75%	4,715	50
Wallis Housing	24	383,337	8.75%	3,688	50
Zapata Housing	40	955,915	8.75%	7,377	50
Mill Creek	60	1,400,753	8.25%	10,192	50
Portland II	20	569,662	8.75%	4,388	50
Georgetown	24	724,248	8.25%	5,265	50
Cloverdale	24	741,553	8.75%	5,693	50
S. Timber Ridge	44	1,041,693	8.75%	7,986	50
Pineville	12	312,642	8.25%	2,318	50
Ravenwood	24	708,808	7.25%	4,595	50
		\$31,099,840			
		=====			

GATEWAY TAX CREDIT FUND II LTD.  
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
AS OF DECEMBER 31, 2006

SERIES 6

PARTNERSHIP	# OF UNITS	BALANCE	INTEREST RATE	MONTHLY DEBT SERVICE	TERM (YEARS)
-----	-----	-----	-----	-----	-----
Spruce	24	895,639	8.75%	6,857	50
Shannon Apartments	16	524,129	8.75%	4,014	50
Carthage	24	557,262	8.75%	4,371	50
Coal City	24	956,195	7.75%	6,578	50
Blacksburg Terrace	32	1,061,228	8.25%	7,738	50
Frazier	30	1,440,715	8.25%	10,470	50
Ehrhardt	16	548,717	7.75%	3,791	50
Sinton	32	831,957	8.25%	6,063	50
Frankston	24	549,052	8.75%	4,207	50
Flagler Beach	43	1,375,503	8.25%	9,864	50
Oak Ridge	24	794,786	8.25%	5,800	50
Monett	32	770,981	8.25%	5,598	50
Arma	28	703,434	8.75%	5,388	50
Southwest City	12	311,685	8.25%	2,271	50
Meadowcrest	32	984,894	8.25%	7,160	50
Parsons	48	1,230,818	7.75%	8,485	50
Newport Village	40	1,271,276	7.75%	8,798	50
Goodwater Falls	36	1,067,565	7.75%	7,980	50
Northfield Station	24	781,074	7.75%	5,379	50
Pleasant Hill Square	24	762,826	7.75%	5,315	50
Winter Park	24	980,840	8.25%	7,131	50
Cornell	24	851,801	8.25%	6,193	50
Heritage Drive S.	40	961,118	8.25%	6,990	50
Brodhead	24	769,501	7.75%	5,303	50
Mt. Village	24	767,537	8.25%	5,574	50
Hazelhurst	32	939,949	8.25%	7,105	50
Sunrise	33	1,137,508	8.75%	8,711	50
Stony Creek	32	1,313,314	8.75%	9,065	50
Logan Place	40	1,227,319	8.25%	8,909	50
Haines	32	2,335,876	8.25%	16,950	50
Maple Wood	24	778,941	7.75%	5,381	50
Summerhill	28	1,167,891	8.25%	5,911	50
Dorchester	12	453,569	7.75%	3,118	50
Lancaster	33	1,066,724	7.75%	7,775	50
Autumn Village	16	112,696	7.00%	2,608	50
Hardy	25	272,603	6.00%	3,639	18
Dawson	40	1,160,429	7.25%	7,524	50
		\$33,717,352			
		=====			

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 16, 2007

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

Date: July 16, 2007

By: /s/ J. Davenport Mosby III  
J. Davenport Mosby III  
Director

Date: July 16, 2007

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

Date: July 16, 2007

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 included 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 16, 2007

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 included 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 16, 2007

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, 2007 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 16, 2007

/s/ Jonathan Oorlog  
Vice President and Chief Financial Officer  
Raymond James Tax Credit Funds, Inc.  
(the Managing General Partner)  
July 16, 2007