

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549-1004

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 2002

Commission File Number 0-21256

Cypress Equipment Fund II, Ltd.
(Exact name of Registrant as specified in its charter)

<u>Florida</u>	<u>59-3082723</u>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

Registrant's telephone number, including area code (727) 573-3800

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

<u>Title of Each Class</u>	<u>Number of Units at March 31, 2002</u>
Units of Limited Partnership Interest: \$1,000 per unit	36,469

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2001 Form 10-K, filed with the
Securities and Exchange Commission on July 9, 2002
Parts III and IV - Form S-1 Registration Statement
and all amendments and supplements thereto
File No. 33-44119

PART I - Financial Information
Item 1. Financial Statements

CYPRESS EQUIPMENT FUND II, LTD.
(a Limited Partnership)
BALANCE SHEETS

	March 31, 2002 (Unaudited)	December 31, 2001 (Audited)
ASSETS		
Rental Equipment, at Cost	\$ 680,825	\$ 680,825
Less: Accumulated Depreciation	(354,898)	(343,659)
	----- 325,927	----- 337,166
Deposit on Equipment	2,410,000	2,410,000
Investment In Partnerships	106,391	143,690
Rent and Sales Proceeds Receivable	3,728	11,182
Cash and Cash Equivalents	418,955	443,913
	-----	-----
Total Assets	\$ 3,265,001 =====	\$ 3,345,951 =====
LIABILITIES AND PARTNERS' EQUITY		
Liabilities:		
Notes Payable	\$ 1,751,964	\$ 1,722,341
Payable to: General Partners	2,022	2,022
Others	1,365	19,069
Unearned Revenue	508	508
	-----	-----
Total Liabilities	1,755,859	1,743,940
	-----	-----
Partners' Equity:		
Limited Partners (36,469 units outstanding at March 31, 2002 and December 31, 2001)	1,812,981	1,904,921
General Partners	(303,839)	(302,910)
	-----	-----
Total Partners' Equity	1,509,142	1,602,011
	-----	-----
Total Liabilities and Partners' Equity	\$ 3,265,001 =====	\$ 3,345,951 =====

The accompanying notes are an integral
part of these financial statements.

CYPRESS EQUIPMENT FUND II, LTD.
STATEMENTS OF OPERATIONS
(Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31,

	2002	2001
	----	----
Revenues:		
Rental Income	\$ 27,000	\$ 28,002
Interest Income	637	9,788
Gain on Sale of Other	0	6,242
	-----	-----
Total Revenues	27,637	44,032
	-----	-----
Operating Expenses:		
Management Fees-General Partners	0	2,783
Incentive Fees-General Partners	0	381,266
General and Administrative:		
Affiliates	3,379	4,469
Other	76,265	22,151
Interest Expense	29,623	27,653
Depreciation and Amortization	11,239	12,968
	-----	-----
Total Operating Expenses	120,506	451,290
	-----	-----
Net Income(Loss)	\$ (92,869)	\$ (407,258)
	=====	=====
Allocation of Net Income(Loss):		
Limited Partners	\$ (91,940)	\$ (403,185)
General Partners	(929)	(4,073)
	-----	-----
	\$ (92,869)	\$ (407,258)
	=====	=====
Net Income per \$1,000 Limited Partnership Unit Outstanding	\$ (2.52)	\$ (11.06)
	=====	=====
Number of Limited Partnership Units Outstanding	36,469	36,469
	=====	=====

The accompanying notes are an integral
part of these financial statements.

CYPRESS EQUIPMENT FUND II, LTD.
STATEMENTS OF CASH FLOWS
(Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31,

	2002	2001
	----	----
Cash Flows from Operating Activities:		
Net Income(Loss)	\$ (92,869)	\$ (407,258)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	11,239	12,968
Deferred Interest on Notes Payable	29,623	27,653
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Rents Receivable	7,454	(5,500)
(Increase) Decrease in Accounts Receivable-Others	0	6,000
Increase (Decrease) in Payable to:		
General Partners	0	(42,855)
Other	(17,704)	(82,634)
	-----	-----
Net Cash Used In Operating Activities	(62,257)	(491,626)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received	37,299	62,099
	-----	-----
Net Cash Provided By Investing Activities	37,299	62,099
	-----	-----
Cash Flows from Financing Activities:		
Distributions to Limited Partners	0	(1,263,651)
Distributions to General Partners	0	(12,765)
	-----	-----
Net Cash Used In Financing Activities	0	(1,276,416)
	-----	-----
Decrease in Cash and Cash Equivalents	(24,958)	(1,705,943)
Cash and Cash Equivalents at Beginning of Period	443,913	1,982,548
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 418,955	\$ 276,605
	=====	=====

Non-Cash Activities:

Notes Payable in 2002 were increased by \$29,623, the amount of Deferred Interest on Notes Payable.

Notes Payable in 2001 were increased by \$27,653, the amount of Deferred Interest on Notes Payable.

The accompanying notes are an integral part of these financial statements.

CYPRESS EQUIPMENT FUND II, LTD.
(a Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
March 31, 2002

NOTE 1 - ORGANIZATION

Cypress Equipment Fund II, Ltd., (the "Partnership"), a Florida limited partnership, was formed November 13, 1991, for the purpose of acquiring and leasing transportation, manufacturing, industrial and other capital equipment. The Partnership was funded with limited partner capital contributions and commenced operations on June 22, 1992. The Partnership will terminate on December 31, 2015, or sooner, in accordance with the terms of the Limited Partnership Agreement. The Partnership has received Limited and General Partner capital contributions of \$36,469,000 and \$2,000, respectively.

Cypress Equipment Management Corporation II, a California corporation and a wholly-owned subsidiary of Cypress Leasing Corporation, is the Managing General Partner; RJ Leasing - 2, Inc., a Florida corporation and a second tier subsidiary of Raymond James Financial, Inc., is the Administrative General Partner; and Raymond James Partners, Inc., a Florida corporation and a wholly-owned subsidiary of Raymond James Financial, Inc., is the other General Partner.

Cash distributions, subject to payment of the equipment management fees, and profits and losses of the Partnership shall be allocated 99% to the Limited Partners and 1% to the General Partners. Once each Limited Partner has received cumulative cash distributions equal to his capital contributions, an incentive management fee equaling 4% of cash available for distributions will be paid to the General Partners. When each Limited Partner has received cumulative cash distributions equal to his capital contributions plus an amount equal to 8% of adjusted capital contributions per annum, an incentive management fee equaling 24% of cash available for distributions will be paid to the General Partners.

NOTE 2 - NOTES PAYABLE

A significant amount of the rental equipment acquired by the Partnership is pledged at time of purchase as collateral for the notes payable.

There were no additional borrowing or payments for the three months ended March 31, 2002.

NOTE 3 - COMPENSATION AND REIMBURSEMENTS TO GENERAL PARTNERS AND AFFILIATES

The General Partners and their affiliates are entitled to the following types of compensation and reimbursements for costs and expenses incurred for the Partnership for the three months ended March 31, 2002:

General and Administrative Costs	\$ 3,379
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NOTE 4 - BASIS OF PREPARATION

The unaudited financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the financial statements and notes thereto included with the Partnership's Form 10-K for the year ended December 31, 2001. In the opinion of management, these financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to summarize fairly the Partnership's financial position and results of operations. The results of operations for the period may not be indicative of the results to be expected for the year.

NOTE 5 - CASH AND CASH EQUIVALENTS

It is the Partnership's policy to include short-term investments with an original maturity of three months or less in Cash and Cash Equivalents. These short-term investments are comprised of money market mutual funds and a repurchase agreement. All of the Partnership's securities included in Cash and Cash Equivalents are considered held-to-maturity. The balance of \$418,955 at March 31, 2002, represents cash of \$25,199, a repurchase agreement of \$375,537, and money market mutual funds of \$18,219.

NOTE 6 - SUBSEQUENT EVENTS

None.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Three Months Ended March 31, 2002, Compared to Three Months Ended March 31, 2001.

The Partnership is beginning to wind down its operations. The Partnership has sold significant assets. The remaining assets include: two sets of machine tools on lease to third parties; a 50% interest in a partnership which leases and sells intermodal marine containers and chassis; and a deposit for the right to obtain title to a specialty tug and barge on December 31, 2002, at the expiration of the lease.

Rental income for the three months ended March 31, 2002 was comparable to the three month period ended March 31, 2001. Interest income decreased for the three months ended March 31, 2002, as compared to the three months ended March 31, 2001 because of lower average balances of cash for investment. During the three months ended March 31, 2002 and March 31, 2001, the Partnership did not sell any equipment.

The 4% incentive management fee was earned with the August 10, 1999 distribution as each Limited Partner has received cumulative cash distributions equal to his capital contribution. The 19% incentive management fee was earned in total with the April 2001 distribution as all Limited Partners began receiving cumulative cash distributions equal to payout plus an amount equal to 8% of adjusted capital contributions per annum cumulative from each limited partner's closing date. Incentive management fees decreased from \$381,266 for the three months ended March 31, 2001 to \$0 for the three months ended March 31, 2002, since no further distributions, on which incentive management fees are based, have been made.

Interest expense was comparable the three months ended March 31, 2002, as compared the three months ended March 31, 2001. Depreciation expense decreased for the three months ended March 31, 2002 versus 2001, due to a lower average depreciable basis of equipment.

The net effect of the above revenue and expense items resulted in a net loss of \$92,869 for the three months ended March 31, 2002, compared to a net loss of \$407,258 for the three months ended March 31, 2001.

During the three months ended March 31, 2002, the Partnership did not incur any additional borrowing and made \$0 of principal payments on notes.

Liquidity and Capital Resources

Short-term liquidity requirements consist of funds needed to make cash distributions to limited and general partners and meet administrative expenses. Cash and Cash Equivalents at March 31, 2002, future rental income, interest income, and distributions needs will fund these short-term needs.

For the three months ended March 31, 2002, the Partnership had a net loss of \$92,869. After adjusting net loss during this period for depreciation and amortization, and the changes in operating assets and liabilities, net cash used by operating activities was \$62,257. Cash provided by investing activities consisted of \$37,299 of distributions from the Investment in Partnerships. In total, during the three months ending March 31, 2002, Cash and Cash Equivalents decreased \$24,958 from operating activities and investing activities, resulting in an ending Cash and Cash Equivalent balance as of March 31, 2002, of \$418,955.

In the opinion of the General Partners, the Partnership will have, through Cash and Cash Equivalents at March 31, 2002, and through future rental income, interest income, and equipment sales proceeds, sufficient funds to remain liquid for the foreseeable future. The General Partners are not aware of any trends that could adversely affect the Partnership's liquidity or the ability to meet near-term obligations.

CYPRESS EQUIPMENT FUND II, LTD.
(a Limited Partnership)

March 31, 2002

PART II - Other Information

Item 6. Exhibits and Reports on Form 8-K

- a) Exhibits - None.
- b) Reports on Form 8-K -None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cypress Equipment Fund II, Ltd.
RJ Leasing - 2, Inc.
Administrative General Partner

Date: August 29, 2002

By: /s/J. Davenport Mosby, III
J. Davenport Mosby, III
President
RJ Leasing - 2, Inc.
A General Partner

Date: August 29, 2002

By: /s/Stephen R. Harwood
Stephen R. Harwood
President
Cypress Equipment Management Corp. II

Date: August 29, 2002

By: /s/Alex A. Najjar
Alex A. Najjar
Executive Vice President
Cypress Equipment Management Corp. II